

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Tuesday February 4 1986

D 8523 B

French join the
Star Wars
scramble, Page 3

World news Business summary

France expels 4 Soviet diplomats

France expelled four Soviet diplomats in the wake of the arrest 19 days earlier of a former French air force mechanic on charges of spying.

Investors rush for Suez issue

SUEZ: Issue of rights to participate in a capital increase at French state-owned industrial and financial holding group Compagnie Financière de Suez was over-subscribed by about 300 times.

Paris studies Awacs

France's Defence Minister Paul Quilès disclosed that an official party is in the US to study possible purchase of Awacs radar surveillance aircraft.

Tories split on vote

More than a dozen Conservative backbenchers voted against the British Government in the House of Commons to protest against its decision to authorise an £15m (US\$20m) contribution to an EEC budget.

Arias wins election

Social Democrat Oscar Arias of the governing National Liberation Party has been elected president of Costa Rica.

Indian march halted

Police in New Delhi arrested about 2,000 Indians who tried to march on Government offices to protest against sharp price increases for food and petrol.

Bangladesh strike

Bangladesh was brought to a virtual standstill by a six-hour general strike called first by opponents of the military regime, then joined by the Government as a show of solidarity with the PLO.

Blast in Beirut

Lebanese militia leaders met in Syria to co-ordinate opposition to President Amin Gemayel, while in Christian East Beirut a bomb hidden in a handbag killed five people at a shopping centre.

Philippines unrest

At least 82 people have been killed in guerrilla violence in the Philippines in the past two weeks as national elections draw near.

Ulster soldier dies

A soldier of the Ulster Defence Regiment was killed by a bomb in Northern Ireland while on patrol near the southern border. Five others escaped injury.

Tankers hit in Gulf

An air-fired missile damaged an unloaded oil tanker of Qatar in what was believed to be an Iraqi missile attack a day earlier on a tanker used for shipments of Iranian oil.

Print union pressed

News International appeared ready to press for contempt of court penalties against the print union Sogat 82 over its defiance of a court order barring its members from disrupting the distribution by wholesalers of The Times, Sunday Times, The Sun and News of the World.

Parliamentary

WALL STREET: By 3pm, the Dow Jones industrial average was up 13.30 to 1,594.29.

MARKET

STERLING lost 2.85 cents against the dollar in London to finish at \$1.3865. It also fell to DM 3.3775 (DM 3.375). SFR 2,8225 (SFR 2,865). FF 10.195 (FF 10.2325) and Y285.5 (Y274.5). The pound's exchange-rate index fell 1.1 to 73.5.

MARKET

NOBEL INDUSTRIES has been accused by a Swedish state prosecutor of attempting to ship 20 tonnes of military explosives to East Germany without obtaining necessary permits.

MARKET

IRWIN JACOBS, Minneapolis-based investor, has offered \$750m for Pioneer, a troubled Texas oil and uranium group.

MARKET

ZANUSSI, Italian electrical appliance maker controlled by Electrolux of Sweden, reduced its losses last year to L30bn (\$18m) from L125.5bn in 1984.

MARKET

OLIVETTI, Europe's leading office equipment maker, is joining forces with Micro Age, US chain of personal computer shops, to launch a network of personal computer and software retail outlets in Italy, France, Britain and West Germany.

BRITAIN CONSIDERS SPLITTING AND SELLING BL

Ford negotiating to buy Austin Rover; GM in truck talks

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, IN LONDON

FORD of Europe is understood to be negotiating with BL, the British state-owned motor group, to buy its volume car subsidiary, Austin Rover.

The talks are at a very early stage but they offer some prospect of the UK Government's splitting up and selling both main divisions of BL to US groups before the next general election.

VW-Audi tops European car sales in 1985

BY OUR MOTOR INDUSTRY CORRESPONDENT IN LONDON

VOLKSWAGEN-AUDI of West Germany last year topped the West European new car sales league for the first time.

Table with columns: Total sales 1984, 1985, Market shares (%), 1984, 1985. Rows include VW-Audi, Fiat-Lancia, Ford, Peugeot-Citroën, Talbot, GM (Opel-Vauxhall), Renault, BL-Austin Rover.

Nissan, second largest of the Japanese groups, overtook BMW, the first time an importer has finished ahead of the West German specialist car producer.

Banks poised to block Mexican requests for extra borrowing

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

MEXICO'S main creditor banks are preparing to resist requests for extra credit to offset the \$2.2bn in foreign-exchange revenues the country expects to lose this year after its \$4-a-barrel oil price cut at the weekend.

At a meeting today in New York, the Citibank-led committee of leading creditors will tell Mr Angel Gurría, Mexico's Director of Public Credit, that the market simply will not bear such large additional demands.

France: rush for Star Wars contracts

Lebanon: president faces Syria's wrath

Philippines: will the vote count?

Technology: new treatment for cattle

US presidency: Reagan five years on

£ falls sharply but UK holds rates steady

By George Graham in London

THE POUND fell sharply on foreign exchanges yesterday as concern mounted that Opec ministers would announce a price war to stem the fall in oil prices.

British interest rates moved higher on the sterling money market, but the Bank of England signalled in its money market operations that it saw no need for any change in bank base lending rates.

Opec renews warning as oil prices fall

BY DOMINIC LAWSON IN VIENNA AND MAX WILKINSON IN LONDON

THE Organisation of Petroleum Exporting Countries (Opec) yesterday warned again that a price war was inevitable unless other world producers allowed its 13 members a bigger share of the oil market.

As ministers from five Opec countries met in Vienna, oil prices fell sharply on the European spot market. The slide accelerated after reports that the Saudi Arabian Oil Minister, Sheikh Ahmed Zaki Yamani, had said there was no hope of reaching agreement between Opec and non-Opec countries on a plan to limit production.

ANZ Bank opens the first branch of an Australian bank in Frankfurt

The branch which commenced business on 3rd February 1986 will be active in foreign exchange business trading in particular in Australian and New Zealand dollars against the Deutschmark and US dollar.

For more information contact: Mr Geoffrey Chantler Telephone: 69-71 00 08 21, Dr. Holger von Paucker Telephone: 69-71 00 08 22, Joint General Managers, Mr. Albert Brinkmann Vice President and Head of Treasury Telephone: 69-71 00 08 30, Telex: 411523 ANZB D

Australia and New Zealand Banking Group Ltd, Mainzer Landstrasse 46, 6000 Frankfurt am Main 17, West Germany, Telephone: 69-71 00 08 0 Telex: 4185126 ANZ D

CONTENTS Europe 2-3, Companies 17-18, America 4, Companies 17, 18, 21, Overseas 3, 4, Companies 19, 21, World Trade 5, Britain 8-10, Companies 22, 25, Agriculture 32, Appointments 12, Arts - Book Guide 12, Commercial Law 29, Commodities 29, Crossword 29, Currencies 32, Editorial comment 14, Eurobonds 29, Euro-options 36, Financial Futures 32, International Capital Markets 29, Letters 15, Law 15, Management 26, Market Monitors 49, Men and Masters 32, Money Markets 32, Stock markets - Bourses 37, 40, Wall Street 37-40, London 34-37, 40, Technology 6, Unit Trains 29, Weather 16, France: rush for Star Wars contracts 3, Lebanon: president faces Syria's wrath 3, Philippines: will the vote count? 4, Technology: new treatment for cattle 6, US presidency: Reagan five years on 14, Editorial Comment: GM/Leyland; British industry 14, Science: facing tomorrow's challenges 15, Lex: Norsk Data; London SE; Suez rights issue 16, Management: French champion of buy-outs 26, UK building industry: Survey Section III

EUROPEAN NEWS

France expels Soviet diplomats for spying

BY PAUL BETTS IN PARIS

THE FRENCH Government has expelled four Soviet diplomats for spying and warned that other expulsions could follow. This is the biggest French crackdown against Soviet secret service activities since President Francois Mitterrand's spectacular decision to expel 47 members of the Soviet embassy in June 1983.

The embassy here last night called the French move "manifestly unfriendly and

provocative. In an angry statement, it warned that responsibility for the consequences of the expulsions would fall entirely on France.

The decision to expel the four diplomats, either military or commercial attaches accused of working for the Soviet secret service, follows the arrest of a Soviet informer in France a fortnight ago.

Mr Bernard Sourisseau, a former French army NCO

accused of supplying information to Moscow for several years on French military bases in Brittany. This is a strategic area for France's nuclear force de frappe and a key base for the country's nuclear submarine forces.

However, unlike the dramatic expulsions three years ago when relations between the French Left-wing Government and Moscow were extremely cool, relations have

improved substantially following Mr Mikhail Gorbachev's visit to France last autumn and the controversial visit to Paris of General Wojciech Jaruzelski, the Polish leader.

The latest action is not expected to provoke a rupture in Franco-Soviet relations nor affect President Mitterrand's plans to visit Moscow this year. However, officials here think that Moscow may decide to expel a similar number of

French diplomats in retaliation.

They also suggested yesterday that the expulsions were intended as a reminder to the Soviet Union not to go too far in its spying activities. France could reconsider the current conditions for Soviet ships anchoring in French waters as a further reprisal, they said.

About 1,500 Soviet ships moor in French harbours every year.

European initiative on defence research

By Bridget Bloom, Defence Correspondent

DEFENCE research directors from 12 European countries meet in London today in an effort to begin harmonising their national programmes.

The conference, the brainchild of Mr Michael Heseltine when he was Britain's Defence Secretary, is the first of its kind. It stems from last June's ministerial meeting of the Independent European Programme Group, the Nato-affiliated body which aims to encourage the collaborative production of defence equipment.

The IEPG is formally independent of Nato's military structure so that it can include France, its other members are Britain, Belgium, Denmark, West Germany, Greece, Italy, the Netherlands, Norway, Portugal, Spain, Turkey, and Luxembourg, the only country unrepresented at today's conference.

In the words of last June's communiqué, the aim of the conference is to examine ways of making more efficient use of Europe's research facilities and capabilities, within the wider context of the IEPG collaborative programme.

This includes several practical steps in which governments are pledged to harmonise both their military requirements for new equipment and the dates when such equipment is required to be in service. Harmonisation of the military research effort is seen as a particularly important input into this process.

Many potential collaborative projects have failed in the past since nations have pursued independent research into new technologies, with their armed services requiring different capabilities from new weapons systems.

The two-day conference will examine the possibility of collaboration in 30 areas of high technology already identified by defence ministers as possible fields for co-operation. They fall within five broad headings: micro-electronics (gallium arsenide); high strength light weight materials; compound materials; image processing and conventional warhead design.

Mr George Younger, Britain's new Defence Secretary, will make his first major speech since his promotion at the conference.

Britain has by far the biggest delegation with some 40 officials led by Sir David Perry, in charge of collaboration in the defence Ministry, and Mr Colin Fielding, the national research director. Directors of the military research establishments will also be present.

Phillips may build pipeline to pump nitrogen into Ekofisk

BY FAY GJETER IN OSLO

PHILLIPS PETROLEUM is considering laying a North Sea pipeline between its Ekofisk field, in Norway's part of the North Sea, and Emden in West Germany. It would be used initially to pipe nitrogen to the field for injection into the reservoir in order to curb seabed subsidence.

About a quarter of the field's own gas output is presently reinjected for this purpose, thus sharply reducing the amount available for sale.

The nitrogen line could be used later to send oil or gas in the opposite direction—possibly as part of a new North Sea pipeline system.

Phillips has been studying how to cope with the subsidence problem ever since it was discovered about a year-and-a-half ago. The sinkage, caused by compaction of the chalk reservoir thousands of metres below the seabed, is a threat to the field's platforms. The field is sinking at the rate of about 42 cm a year.

Injection of Ekofisk gas—which has meant cutting con-

tract deliveries to customers in Europe—has always been regarded as a stopgap. Other alternatives include building a nitrogen plant on the field itself—at an estimated cost of Nkr 10 bn-Nkr 15 bn—or developing the nearby Tommeliten field, and using its gas for reinjection.

The latter idea is strongly favoured by Norway's Oil Ministry because it would provide work for the country's offshore fabricating industry and a market for gas from a marginal field.

Phillips has so far resisted pressure to develop Tommeliten, in which it is a partner. The pipeline scheme is probably more attractive to the company because of its potential. Industry officials suggest that it could be ready for service by 1988-90. The nitrogen would be brought from European suppliers—a valuable contract for a manufacturer of industrial gases.

A decision is expected in the spring or early summer.

Anti-austerity protests flare again in Greece

By Andriana Ierodiakou in Athens

THE RELATIVE labour calm which has reigned in Greece since the New Year was disrupted yesterday as unions launched a fresh wave of protests and strikes against the Socialist Government's two-year economic austerity programme.

In Athens workers marched to Parliament, which was scheduled to begin debating a Bill ratifying a two-year wage freeze and the substantial watering down of the system of linking salaries and wages to inflation. A similar protest was planned in Salonika, Greece's second largest city.

Meanwhile, the two main teachers' federations said they would stop work for 24 hours tomorrow. Construction workers are due to do the same on February 13. Labour federations in several cities are said to be preparing for strikes later this month.

French Communists switch election attack

BY OUR PARIS STAFF

LEADERS OF the French Communist Party assembled behind closed doors yesterday for a top-level brain-storming session of the central committee to review electoral tactics barely six weeks before the general election.

The meeting comes at a time when the Communists have visibly changed their electoral line of attack. After splitting with the Socialists and breaking the so-called Union of the Left, they had devoted most of their time and effort to criticising and condemning the Government policies. But in recent weeks they have softened their criticisms of the Socialists and intensified their traditional attacks against the right.

Mr Georges Marchais, the Communist secretary general who at last year's congress underlined the depths of the divisions between his party and the Socialist government, sig-

nalled the change during a television appearance in which he underlined the resolve of the Communists to fight the Right in the election.

Although, on the surface at least, there is nothing very surprising about a Communist party attacking the Right in an election campaign, the shift in the French party's attitude is none the less significant.

The Communists had hoped to halt their steady electoral decline by leaving the coalition with the Socialists and adopting a more traditional hard left-wing line, especially against the Government's industrial restructuring programmes in key sectors like steel, coal and cars.

The political guerrilla campaign has not produced the results the party had hoped for, however. The Communists are still expected to poll around 10 per cent or a little more of

the national vote in March and could again be overtaken by the extreme-right National Front as in the European Parliament elections. Moreover, the party's anti-Socialist line appears to have confused many Communist and working class voters. This has been reflected in part in the failure during the past 12 months of the pro-Communist CGT labour confederation to provoke serious labour unrest against Socialist government policies.

The Communists thus appear to have decided to campaign on more conventional anti-right themes. This has been welcomed by reformist party members who had bitterly criticised the aggressive line against the Socialists.

It is one of the small ironies of French politics that the change in Communist attitudes far from overjoying the Socialists is worrying them.

They are hoping to poll at least 30 per cent of the vote in March and had been banking on the Communist's anti-Socialist and anti-union of the left approach to help them win some undecided left-wing votes as well as deal votes from Communist moderates unhappy with the party's line.

Adding to the general irony of the situation is the fact that the Communist softening towards the Socialists comes at a time when the right-wing opposition parties continue to squabble between themselves and to struggle to form a united front for the elections. Indeed, the internal jostling between the leaders of the right has continued to undermine its image. The right, nonetheless, is widely expected to win a majority in the National Assembly.

Banks told not to expect bail-out in debt crisis

BY JONATHAN CARR IN DAVOS

GOVERNMENTS in the industrialised countries have no intention of bailing out the commercial banks by guaranteeing their lending of the debt crisis, according to Mr Onno Ruding, the Dutch Finance Minister and chairman of the International Monetary Fund's Interim Committee.

He told senior executives here that the banks cannot run away from the international debt problem. They are stuck with it and they had better get moving," he said.

Mr Ruding agreed there had to be burden-sharing to cope with the debt crisis both between national groups of banks and between banks and governments. "But the government role must be limited to such action as providing more export credit or helping increase the capital of the World Bank, not to 'bailing out' the private banking sector."

He was speaking at the Davos Symposium, an international business and economics conference bringing together more than 600 participants from over 50 countries. A key topic has been the scheme announced by Mr James Baker, the US Treasury Secretary, to ease the debt problem through combined action by borrowers, banks, industrialised country governments and international organisations.

The Dutch minister said he was "rather optimistic" about the Baker plan in view of the progress made since it was proposed last October. At least some of the debtor states were following sound economic and financial policies and the banks had expressed conditional support.

However, bankers on the sidelines have emphasised that serious problems have to be solved before they agree to put up the \$20bn in extra credit over the next three years foreseen under the scheme. Some of the lenders countries also show increasing concern towards the plan because of the sharp fall in commodity prices.

Belgrade lifts bank rates

BY ALEKSANDAR LEBL IN BELGRADE AND DAVID BUCHAN IN LONDON

THE YUGOSLAV Government has changed course again by promising the International Monetary Fund that bank interest rates will be raised to match the country's soaring inflation rate for at least the next two months, if not necessarily to the expiry of its current IMF adjustment programme in mid-May.

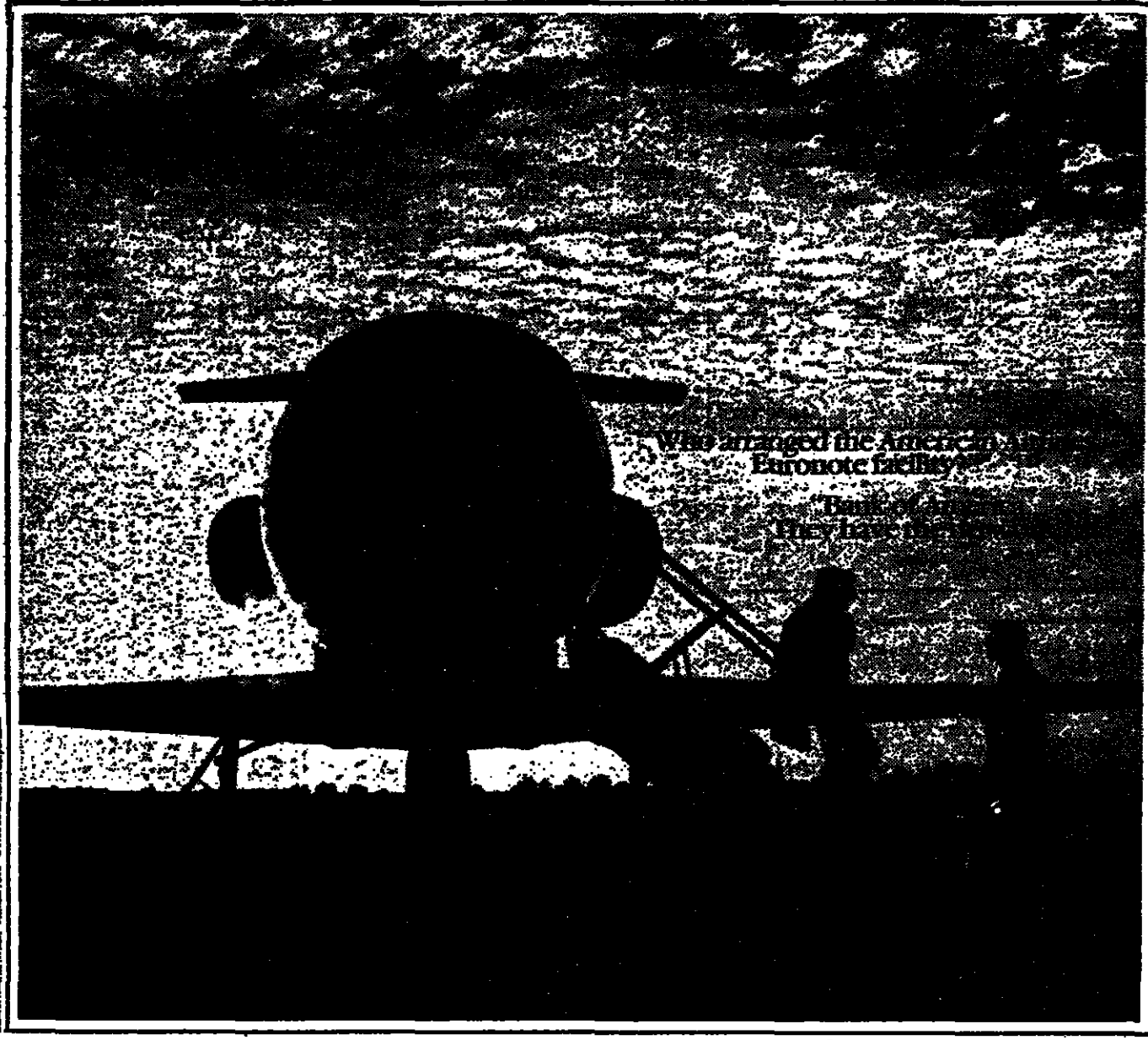
Belgrade and the IMF have had successive disputes over ways to curb Yugoslav inflation, which ran at an annual pace of 80 per cent in 1985, and in particular about the Fund requirement for real or positive interests as a discipline on Yugoslav borrowers. The latest disagreement came in December last year, when the Government, responding to protests from corporate borrowers, froze interest rates.

Ekra, Yugoslavia's leading electronics manufacturer, has offered 20 of its some 2,000 product programmes for inclusion in the West European Eureka scientific programme. It claims that in these 20 products it can compete with the best in the US and Japan. Yugoslavia is the first non-aligned country to express interest in joining Eureka, but not the first Communist country to do so. Hungary and Bulgaria have already declared their readiness to join it.

FINANCIAL TIMES

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and as members of the Board of Directors, F. von R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurt-Sozialdruckerei, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. "Goldblattstrasse 54, 6000 Frankfurt am Main 1. © The Financial Times Ltd, 1985.

FINANCIAL TIMES (USPS No. 19649), published daily except Sundays and holidays. U.S. subscription rates \$95.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 10022.



When American Airlines approached the Euronote market, they realized any investment bank could structure an issue. But very few could place it quickly and efficiently. They needed a bank with proven syndication skills to represent both borrowers and investors. With exacting requirements for price, terms and timing, American Airlines launched an extensive review of the worldwide investment banking community. And they chose Bank of America.

Through our global network, we have the resources to respond promptly to changing opportunities in every major capital market. We can team industry specialists with financing experts from Dallas to New Delhi. Our exceptional performance in the Euronote market, coupled with the teamwork of our investment banking professionals, provided the assurance American Airlines needed. They could count on our network.

For your financing needs, talk to Bank of America. You'll find us virtually anywhere you need us.



In London the utmost in luxury is waiting at Hyde Park Corner.

HOTEL INTER-CONTINENTAL LONDON

THE ADVANTAGE IS INTER-CONTINENTAL®

® INTER-CONTINENTAL HOTELS

One Hamilton Place, Hyde Park Corner, 44 (1) 409-3331, Telex: 23033. For reservations call: Amsterdam: (020) 26 20 21, Brussels: (02) 751 47 47, Frankfurt: (069) 27 30323, Milan: (02) 872 7 62, Paris: (01) 47 42 07 92 or call your nearest Inter-Continental sales office or your travel agent.

EUROPEAN NEWS

OVERSEAS NEWS

Paris has changed its mind about the SDI, writes David Marsh French join Star Wars scramble

LEADING FRENCH aerospace and defence electronics companies, after several months of waiting on the sidelines, are trying to make up for lost time in mounting bids to win research contracts under the US Strategic Defence Initiative (SDI) programme.



AWACS ORDER UNDER STUDY

In spite of last week's tragedy of the Challenger space shuttle, as well as mounting pressure in the US Congress for cuts in defence spending—both of which could seriously set back the SDI or "Star Wars" programme—a consensus is emerging between the French Government and industry that SDI involvement would be beneficial.

Mr Paul Quilès, the French Defence Minister, who has previously criticised the SDI programme on strategic and technological grounds, signalled a change of tone late last month, when he said he was in favour of French participation.

Even before the change of tone by the Government, companies like Aerospatiale, had signalled a more positive attitude. Mr Henri Matre, the Aerospatiale board chairman, says he does not expect SDI to lead to a "pot of gold" for European companies.

Both French and US officials say that, up to now, the Socialist government's frequently-stated political opposition to the "Star Wars" programme has impeded French companies' chances of taking part.

France has been considering for several years how to repair what experts consider a serious breach in its air defence—the lack of an airborne radar system to detect attack either over its southern border or from the Atlantic.

Mr Matre is the furthest down the line in discussions with the SDI organisation. It hopes to make use particularly of its expertise in kinetic energy weapons and in optical systems, using experience in both the missile and remote-sensing areas.

The Government remains opposed to the strategic concept of SDI, partly because it could eventually pose a question mark over France's own nuclear deterrent. But the Government now believes research participation could aid a general French bid to harness militarily useful technologies in areas such as aerial defence and space-borne detection systems.

France has been considering for several years how to repair what experts consider a serious breach in its air defence—the lack of an airborne radar system to detect attack either over its southern border or from the Atlantic.

Mr Matre is the furthest down the line in discussions with the SDI organisation. It hopes to make use particularly of its expertise in kinetic energy weapons and in optical systems, using experience in both the missile and remote-sensing areas.

French company executives believe that, given the country's strength in key areas of the defence electronics business, the lack of a British-style government-to-government agreement over SDI links should not present a major handicap for French groups.

Contracts will come not from politics but from competence, says another executive. Referring to the likely return to power after general elections in March of the Conservative opposition, whose leaders have taken a generally more favourable stance to SDI than the Socialists, he says: "Governments are more expendable than technologies."

Mr Peberon learned about the Government's change of heart over SDI during Mr Quilès' visit on January 23 to the CGE group's research centre

at Marcoussis near Paris. He says he immediately authorised resumption of contacts with the Pentagon.

Before Mr Quilès' declaration, the Government had said it would not oppose French companies teaming up with the SDI organisation but had stopped short of endorsing such links.

Mr Matre is the furthest down the line in discussions with the SDI organisation. It hopes to make use particularly of its expertise in kinetic energy weapons and in optical systems, using experience in both the missile and remote-sensing areas.

Mr Matre is the furthest down the line in discussions with the SDI organisation. It hopes to make use particularly of its expertise in kinetic energy weapons and in optical systems, using experience in both the missile and remote-sensing areas.

Mr Matre is the furthest down the line in discussions with the SDI organisation. It hopes to make use particularly of its expertise in kinetic energy weapons and in optical systems, using experience in both the missile and remote-sensing areas.

Sharp fall in Poland's coal sales forecast

By Christopher Bobinski in Warsaw

POLAND'S POWERFUL energy lobby is warning that the country's coal exports could fall by 40 per cent to 20m tonnes in 1990 unless more money is spent on developing production capacity.

The warning was issued last week at a meeting of the parliamentary energy committee at which General Czesław Piotrowski, the Mining Minister, clashed openly with a senior planning official over investment allocations in the current five-year plan.

The argument reflects both the dearth of investment finance facing Poland and an important debate about how fast the economy should be restructured and economic reforms implemented to encourage fuel savings.

Poland's energy production is more than 90 per cent based on hard coal and lignite, while hard coal exports last year provided a fifth of the country's hard currency earnings. This year, coal sales abroad are projected at 35-37m tonnes, compared to 36m tonnes last year.

Mr Jerzy Gwiazdowski, a deputy head of the planning commission, defended the draft plan by explaining that the total allocation for industrial investment in this period was Zl 3,500bn.

Beirut handbag bomb kills six

A BOMB concealed in a handbag ripped through a Christian shopping district yesterday killing at least a half dozen people, the latest in a wave of attacks apparently linked to Christian defiance to a Syrian-backed agreement. Nora Boustany writes from Beirut.

seventh bombing in Christian areas in three days. Though fears of a Syrian-backed offensive by Muslim and leftist militias against the Christian heartland have temporarily subsided, the latest series of explosions since last Friday has created a climate of insecurity.

ally who had signed the Syrian-engineered peace pact. Since then, Mr Gemayel has come under increasing pressure from Muslim critics to step down.

Lebanon's president stubbornly faces the wrath of Syria

BY NORA BOUSTANY IN BEIRUT

ONCE AGAIN, Lebanon's Christians find themselves stubbornly defending their traditional prerogatives in a country that has been painfully making the transition from an economic miracle to a fragmented and disaster-ridden state.

lists and Christian hardliners. "We may have lost our bet on Amin Gemayel. We wanted to help him achieve a solution through peace and reforms. He preferred to be a hero of war and a champion of the old obsolete system," the same Syrian official said.

mentarians draw up a petition for the President's impeachment, accusing him of treason, could the legislature be convened to vote him out of office.

The Lebanese currency has plunged to an unprecedented low against the US dollar, reflecting the gravity of a crisis brought on by the collapse of the Syrian-backed peace accord. Military reinforcements reaching the peak overlooking the village of Bickdaya, in the Upper Maten, the stronghold of President Amin Gemayel, have revived the spectre of a Syrian siege of the Christian heartland.

Lebanon is caught between the Moslem conviction that Gemayel must go and the Christian consensus that he must stay

Resentment against Mr Hobeika was not only due to his signing of the agreement with two of Lebanon's Moslem warlords, despite objections from his own executive committee in the Lebanese Forces. Inter-Christian rivalry and irritation with his arbitrary ways

It is this latter figure which has drawn the Mining Minister's fire and which led the parliamentary committee last week to draft a demand to the Prime Minister to increase the energy investment allocation.

Mr Hobeika, the man Syria miscalculated to be master of the Christian camp, was forced into exile three weeks ago following a bloody coup by Christian militants and Phalange party loyalists of Mr Gemayel.

On January 15, Christian militiamen took orders directly from Mr Geagea and linked up with Phalange fighters from the Maten to dislodge Mr Hobeika.

Mr Jerzy Gwiazdowski, a deputy head of the planning commission, defended the draft plan by explaining that the total allocation for industrial investment in this period was Zl 3,500bn.

The US State Department has issued a statement saying it was against military action to unseat Mr Gemayel, while Israeli reconnaissance aircraft have kept a close and daily watch over Syrian movements in Lebanon.

Lebanon finds itself caught between a strong conviction on the part of Moslems that Mr Gemayel must go and an emerging consensus in the Christian community that he must stay. Only if a group of parlia-



When the time comes to bring your business in line with the needs of the 21st Century, you have a choice. You can create what you need elsewhere, or transform what is totally unsatisfactory into what is ideal. Take one example of the latter approach. A client of ours had over 60 ancient buildings littering a 42-acre site. Lumbered with this obstacle and determined to create a high-tech environment for the future, they elected to bring in IDC.

First step? To assess the feasibility of improvement in several ways. Bearing in mind, always, the cost, timescale and maintenance factors. And, of course, the reality of the situation. 35 buildings would be demolished. The remainder would undergo total restoration and refurbishment. Meanwhile, several hundred employees would go about their business as though nothing was going on. A tall order, yes. But a normal day's work for IDC.

Working with IDC means no part of the design and planning process will be sub-contracted. That way we keep tight control over the programme of events, and a close eye over every aspect of the project. With IDC all the professionals you need to handle everything from concept to completion are teamed up under one roof. With no outsiders to worry about, the right hand always knows what the left hand is doing.

And you're in control of the situation, each and every critical step of the way, because we are. For the full story and about IDC's way of doing things, and the obvious benefits to you, write to Clive Hicks, IDC Group Limited, Stratford-upon-Avon, Warwickshire CV37 9NJ. Telephone 078 920 4288, or Telex 311201.

IDC
DESIGN • CONSTRUCT • ENGINEER
You don't need anyone else.

OVERSEAS NEWS

Chris Sherwell on a recipe for confusion in voting procedure
Filipinos doubt votes will count

AN OPINION survey published at the weekend unwittingly offered a revealing insight into this Friday's presidential election in the Philippines. Sixty-two per cent of respondents thought incumbent Ferdinand Marcos would defeat his challenger, Mrs Corason Aquino. But only 45 per cent said they would actually vote for him.

Mrs Corason Aquino, in the last round of an increasingly emotional battle for the Philippines presidency, yesterday denounced President Ferdinand Marcos as a "dictatorship Philippine pariah" who had built a "pyramid of disgrace".

Foreign observers, including the official 20-member US delegation which arrives tomorrow, will be allowed no nearer than 150 ft from polling places, and may find themselves in no position to make reliable judgments about the poll.

Foreign observers, including the official 20-member US delegation which arrives tomorrow, will be allowed no nearer than 150 ft from polling places, and may find themselves in no position to make reliable judgments about the poll.

Iraqi air force hits Maltese tanker

A SUPERTANKER limped towards Iraq's Sirri Island in the southern Gulf yesterday after being hit in an Iraqi air force missile attack, shipping sources told.

Egypt aid cheer

A US State Department official said yesterday that the US probably will maintain military and economic aid to Egypt near current levels in spite of Congress-ordered cuts in foreign aid.

Jayewardene pledge

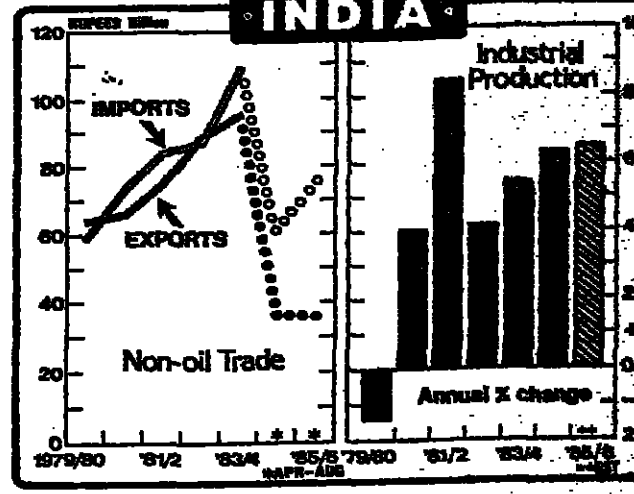
Sri Lankan President Junius Jayewardene yesterday vowed to end Tamil separatist violence, Reuters reports from Colombo.

Twenty die in Sudan

Twenty people were killed in clashes between rival political groups over the weekend in Port Sudan, according to Sudanese press dispatches.

India lifts fuel prices in bid to narrow trade gap

SUBSTANTIAL price rises averaging more than 10 per cent on petroleum and other oil products were introduced by the Indian Government at the weekend. The move is intended to curb imports of oil which rose by over 30 per cent in 1985.



The price rises provoked a street demonstration in New Delhi yesterday by 2,000 members of a leading opposition party, the Bharatiya Janata Party.

Malaysia launches ambitious industrial plan

MALAYSIA yesterday launched an ambitious plan to shake up its fledgling industries and put them on a competitive footing with other developing nations.

as the Government is preparing to start major debt repayments to the International Monetary Fund.

Unless exports pick up significantly, reserves will be hit, but ministers are rejecting a forecast made in New Delhi this week by Business International, a US-based consultancy, that India will probably have to go to the IMF for fresh borrowing early in 1986 or in 1990.

Malaysia launches ambitious industrial plan

MALAYSIA yesterday launched an ambitious plan to shake up its fledgling industries and put them on a competitive footing with other developing nations.

Businessmen surveyed after the presentation welcomed the incentives and the blunt appraisal of domestic economic problems offered. But they cautioned against too much optimism.

Malaysia's main exports of rubber, palm oil, timber, tin, oil and electronics are all suffering from low world prices. In addition, thousands of building workers sacked in oil prices and rumours that Singapore are returning home.

It would also lay the foundation to "leapfrog" Malaysia towards advanced industrialisation, missing out intermediate stages of development.

AMERICAN NEWS

Congress 'may cut' defence budget by \$60bn

THE INFLUENTIAL chairman of the House Armed Services Committee, Rep. Les Aspin, warned yesterday that Congress may have to cut \$60bn to \$90bn (\$65bn) off the defence budget to meet the new federal budget deficit targets.

Canadian dollar falls to fresh low

A SHARP increase in domestic interest rates has failed to prevent the Canadian dollar falling to a new low against the US dollar.

Shuttle probe makes rapid headway

NASA officials investigating last week's space shuttle disaster appear to have identified the primary cause, raising the possibility that the space shuttle programme may not be delayed as long as many observers originally feared.

Arias wins Costa Rica election

MR OSCAR ARIAS, a British-educated economist, on Sunday became the new President of Costa Rica, the only well-established democracy in civil war-torn Central America.

Death toll mounts to 65 in Haiti

LONGSTANDING differences within the Haitian security forces re-appeared yesterday over the handling of continuing anti-government protests.

Honduran army chief loses job

THE conservative wing of the Honduran armed forces has won a power struggle that has led to the departure of commander-in-chief General Walter Lopez Reyes, Robert Graham reports.

USW forgoes wage rise at troubled steelmaker

A NEW era of wage bargaining has started in the US steel industry with a decision by the United Steelworkers of America (USW) to grant concessions to LTV, one of the hardest-hit of the leading steel manufacturers.

Cuban congress to streamline economy

THE STREAMLINING of Cuba's state controlled economy is expected to be the main topic when the third congress of the Cuban Communist Party begins today in Havana.

Honduran army chief loses job

THE conservative wing of the Honduran armed forces has won a power struggle that has led to the departure of commander-in-chief General Walter Lopez Reyes, Robert Graham reports.

USW forgoes wage rise at troubled steelmaker

A NEW era of wage bargaining has started in the US steel industry with a decision by the United Steelworkers of America (USW) to grant concessions to LTV, one of the hardest-hit of the leading steel manufacturers.

USW forgoes wage rise at troubled steelmaker

A NEW era of wage bargaining has started in the US steel industry with a decision by the United Steelworkers of America (USW) to grant concessions to LTV, one of the hardest-hit of the leading steel manufacturers.

USW forgoes wage rise at troubled steelmaker

A NEW era of wage bargaining has started in the US steel industry with a decision by the United Steelworkers of America (USW) to grant concessions to LTV, one of the hardest-hit of the leading steel manufacturers.

USW forgoes wage rise at troubled steelmaker

A NEW era of wage bargaining has started in the US steel industry with a decision by the United Steelworkers of America (USW) to grant concessions to LTV, one of the hardest-hit of the leading steel manufacturers.

USW forgoes wage rise at troubled steelmaker

A NEW era of wage bargaining has started in the US steel industry with a decision by the United Steelworkers of America (USW) to grant concessions to LTV, one of the hardest-hit of the leading steel manufacturers.

A WEEKLY INVESTMENT IN PRECIOUS METALS... CHINAWEEK

WORLD TRADE NEWS

Rolls-Royce wins order for 200 more Tay engines

By Michael Donne, Aerospace Correspondent

ROLLS-ROYCE has won a further order for 200 of its new Tay jet engines, worth \$217m, from Gulfstream Aerospace Corporation of the US, for use in the Gulfstream IV executive jet airliner. This brings total Tay orders for Gulfstream alone to 400 engines. Prototype engines have already been delivered, and delivery of production engines starts soon. Gulfstream already has firm contracts for 80 of its twin-engine Gulfstream IV aircraft and is negotiating contracts for further orders, thereby accounting for all the initial batch of 200 Tay engines. Some time ago and necessitating the further engine orders now placed. In addition to Gulfstream, Fokker of the Netherlands has an outstanding firm order for over 100 Tay engines for its new Fokker F-100 twin-engine jet airliner, ordered so far by Swissair and KLM of the Netherlands. The Tay has made good progress in its development programme and certification of the engine. This has cleared the way for passenger service operations, which are expected in midsummer. In addition to being substantially more fuel-efficient than the ageing Spey engine, the Tay will also be substantially quieter, making it suitable for smaller neighbourhood airports. Rolls-Royce is actively canvassing additional customers for the Tay and believes that before long further aircraft manufacturers will select the engine for small airliners and executive aircraft.

Ericsson subsidiary wins \$30m US orders

By David Brown in Stockholm

ERICSSON RADIO, the Texas-based subsidiary of the Swedish Ericsson Telecommunications and Electronics group, has won three orders for turnkey cellular telephone systems from non-wire line buyers in the US worth a total of \$30m (\$21m). The largest contract, valued at \$20m, was awarded by the Houston Cellular Telephone Company. It will cover the entire Houston service area with a population of 3m which is estimated to be one of the 10 biggest cellular markets in the US. This order was won in competition with Motorola, Ericsson said. A \$5m contract was awarded by Genesee Telephone Company of Rochester New York, in competition with AT and T for a turnkey system to cover a five-county area with a population of 1m. A further order of the same value from the Honolulu Cellular Telephone Company will include 13 base stations to cover the island of Oahu, Hawaii. All three orders are to be delivered within two years. Ericsson Radio's cellular system is based on the AXE 10 digital switching system, which has been sold to 64 countries.

Drive to fashion clothing market in Japan

By Carla Rapoport in Tokyo

IN A Tokyo hotel, Mr. Abe Tibbett was selling duffel coats to the Japanese. The Japanese, it seems like duffel coats, a fact which has helped Tibbett, a small UK group based in Northamptonshire, boost exports to Japan from £100,000 to £250,000 in the past three years. During the same period, sales of British textiles to Japan have also been picking up. Last year, sales of UK knitwear and clothing to Japan increased by 11 per cent to ¥1.2bn (\$44.1m). In 1986, the industry aims to post a 15 per cent increase in sales, and double its sales by 1990. "This is just a tiny drop in the ocean when you consider what the size could be," said Mr Peter Randle, director of British Knitting and Clothing Export Council in Tokyo last week. Indeed, while garments' share

of total exports from the UK to Japan have risen from 2.7 per cent to 3.1 per cent in the past few years, Britain's share of the overall Japanese garment market is statistically non-existent. Improving on this position will require a pragmatic approach by the British garment industry. For despite recent highly publicised moves by the Japanese government to boost its imports, Japan is also targeting the fashion industry as one of its major industries of the future.

Plans are afoot to create a huge textile-fashion-design centre in central Tokyo when the municipal government offices are moved out from their current headquarters to another part of Tokyo. "From the amount of money they (Japanese government officials) tell me they intend to spend, it seems they are very serious about making Tokyo the Paris of the Pacific Basin. It's hard to reconcile that policy with the alleged wish to correct

Japan's trade imbalance," says Mr Randle. For most of the companies anxious to sell garments to Japan, these moves mean that British manufacturers must continue to aim at short-run, high-fashion, high-quality sectors. In order to escape the trap of high-quality, low-volume trade, Mr Randle says that British companies should move out of Tokyo and into the Japanese provinces. "There is money out there. If we could get to provincial markets, we do have volume potential, even in high-quality, high-fashion goods." But selling outside Tokyo presents several challenges, namely, the complex distribution system and its sale-or-return policy on manufactured garments. Sale-or-return means that the manufacturer or wholesaler must take back those garments which the stores do not sell. These two factors could result in high fashion goods being priced out of the market. According to Mr Ronnie Garrett, sales director of Lyle and Scott, a brandwear company, whose cashmere sweaters which cost \$185 in New York sell for more than \$300 in Tokyo. "In New York we can sell directly to the retailer. In Tokyo, it's more complicated," says Mr Garrett. The determined, however, insist that it can be done. "A lot of people think you have to sell on price in Japan. That's totally wrong. You have to sell on quality," says Mr Abe Tibbett. The demand for British fashion merchandise is strong, he claims. Sales of UK fashion accessories, shawls and scarves, for example, jumped by 55 per cent last year to ¥1bn.

Eurosattellite steps up bid to share in British TV plans

EUROSATELLITE, the Franco-German-led satellite manufacturing group, is stepping up its bid to participate in British plans for setting up a service to beam TV programmes from space, David Harkin writes. The company building the German and French direct broadcasting satellites TV-SAT-1 and TDF-1 which are due to be launched towards the end of this year, is becoming increasingly

confident that it can provide solutions to break through the impasse over direct broadcasting by satellite (DBS) in the UK. Mr Rolof Arnim, the Eurosatellite managing director, is visiting Britain this week to discuss DBS strategies with the space division of the Marconi electronics company, with which Eurosatellite has long-standing links. He may also call on the

Independent Broadcasting Authority (IBA). Long-running British plans for DBS under the Unisat project were abandoned last June, when members of the consortium studying it, concluded that proposals were not economically viable. The British Government, TV companies and the aerospace industry, however, are still considering the possibility of putting together a system to come into service towards the end of the 1980s. Eurosatellite, set up in 1978, is owned 24 per cent each by Messerschmitt-Boelkow-Blohm, Aerospatiale and Alcatel-Thomson Space with further stakes held by the German AEG and ANT companies and ETECA, the Belgian group. The launches of TV-SAT-1 and TDF-1, due from the summer onwards and in November, have been postponed many times in the past few years and may still face setbacks because of the technical problems of the Ariane rocket. But Eurosatellite believes that the immensity of the two launches, which will give Germany and France a world lead in DBS, has strengthened its hand in negotiations with the UK.

Hungarians to exchange lathes for Yugoslav cars

By Leslie Colitt in Berlin

A HUNGARIAN machine-tool company has agreed an exchange deal involving 1,000 VW Golf cars assembled in Yugoslavia. The unusual deal was arranged between SZIM machine tool company and Technoimpex foreign trade company of Hungary, and the Sarajevo machine engineering arrangement, which assembles the Golf from West German components. Mr Istvan Matyas, director general of Technoimpex of Budapest, said his Yugoslav partner has the market for the cars, but did not have the hard currency to buy the technology in the West. SZIM was able to offer a lathes and the Yugoslavs agreed to buy with the Golf cars and other products. Mr Matyas said the deal was worth \$8m over five years, with the cars valued at about 40 per cent of the total. Hungary plans to import

about 125,000 cars a year to 1990 from Comcon producers, but this will not satisfy domestic demand. The Raba company negotiated last year with Opel on a possible exchange of cars for Raba products but no agreement was concluded. Ganz-Mavag wants to reach a similar agreement with another Western car manufacturer. Hungary would also like to establish an assembly plant for Western cars, but only if it could pay for the plant with cars and components. Hungary's Ikarus bus company, one of the largest in Europe, is negotiating the sale of further articulated buses to Canadian cities, following Volvo's decision to stop marketing buses in North America. It has sold 34 articulated buses to a local transport company in Ottawa, and hopes to sell 84 more when a team from the company goes to Canada.

US airline orders three BAe-146 jets

By Michael Donne, Aerospace Correspondent

LAS VEGAS-based Aero West, operating as Royal West Airlines, has ordered three British Aerospace 146 four-engine regional jet airliners, worth \$50m (£35m). Further orders are expected for the improved Series 200 BAe-146. Royal West will use the 91-seater 146s on routes into Las Vegas from California (Los Angeles, Burbank and Ontario), with further cities also planned, subject to availability of take-off and landing "slots". The airline will bring European-style "inclusive tour" fares to its operations, selling half the seats on every flight to tour operators for use in inclusive holiday deals. Royal West will take delivery of its 146s during April and May. Taiwan will sign a contract with Boeing of the US in April to buy one Boeing 737-200 for delivery in September 1987, a spokesman for the Civil Aeronautics Administration said. Reuter reports from Taipei. Taiwan is expected to order two Boeing 737-200s a year for the next six years to replace the 12-to-15-year-old Boeing fleet of the state-owned China Airlines and the Far Eastern Air Transport Corp.

Japan groups in Pakistan assembly move

By Michael Donne, Aerospace Correspondent

TWO JAPANESE groups and a United Arab Emirates (UAE) company have set up a joint venture involving the state-owned Pakistan Automobile Corp (Paco), Reuter reports from Karachi. The venture, Hinoapak Motors, involves Hino Motors and Toyota Tsusho Kaisha of Japan, the Al-Furatim group of the UAE and Paco. Paco and Al-Furatim each held 40 per cent of the equity, Hino and Toyota 20 per cent jointly. The balance will be offered to the public. Hinoapak will assemble and later manufacture trucks and buses on Hino chassis. Hinoapak said that Hinoapak Motors, with initial equity of Rs100m (\$6m) has the rights to export vehicles to some Middle Eastern and African countries. It added that the initial project cost was Rs250m rising to Rs450m over eight years. Suzuki Motor of Japan plans to expand car production in Pakistan in co-operation with Paco, the daily newspaper Dawn of Karachi said yesterday, agencies report. Negotiations for the new plant are said to be in a fairly advanced stage and should be completed by the end of this month.

China puts back starting date for energy venture

By Robert Thomson in Peking

CONSTRUCTION of China's largest energy joint-venture, the Pinghuo open-cast coal mine in the northern province of Shanxi, is behind schedule. The mine is unlikely to be in operation until September next year, about a year later than expected. Occidental Petroleum, originally expected to have about a half share, has a 25 per cent stake in the \$650m (\$425m) project. The Bank of China Trust and Consultancy Co, the China National Coal Development Corporation and the China International Trust and Investment Corporation make up the 75 per cent stake. The mine has an estimated

coal reserve of more than 450m metric tons within a contract area of 18.5 sq km, and is about 500 km south-west of Peking. Annual production capacity is expected to be 13.55m metric tons, which is about 70 per cent of the present total output of open-cast mines in China. The senior engineer of the China National Coal Development Corporation, Yu Yinghou, said "equipment purchase contracts worth \$200m have been signed with manufacturers from the US, Canada, Japan and West Germany, and 600 major items in all will be supplied by foreign countries." About 200 items had arrived by the end of last year.

The way they make money differs.

These days, controlling costs while becoming more productive and competitive is the mission of every business man.

At Burroughs it's a mission we take very seriously. After all, owning a computer (whether micro or mainframe) is a long term investment. In time you'll want it to grow and become more powerful as your business grows.

All the companies shown here recognised this strength in Burroughs and it's paying them dividends.

How to change mainframes without costly conversions.

Take, for example, our 'A' Series of mainframes. When we developed the forerunner 20 years ago, it was years ahead of its time. Today, our competitors are still trying to catch up.

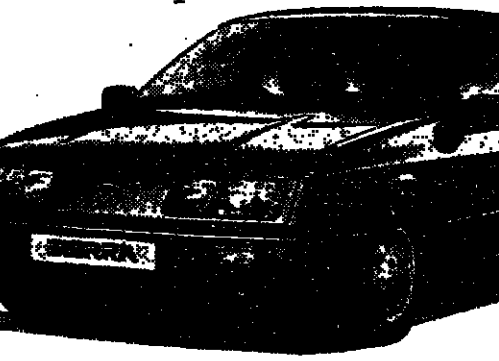
Unless you're already using our 'A' Series, you'll be faced with major costly disruptions when you need a more powerful computer.

You may have to change all your programs. Retrain your staff. Or discard valuable equipment which isn't compatible. Even if you stay with the same computer supplier.

With a Burroughs 'A' Series this will never happen. It allows you to expand 120

times without any conversion or reprogramming. Leaving you free to concentrate on something more valuable - your business.

Our mainframes are a long term investment. Don't just take our word, or the word of the companies shown here.



A recent independent survey in Computerworld revealed some remarkable results.

They published league tables on such factors as quality of operating systems, ease of operation, conversion and programming, as well as overall satisfaction.

Burroughs came out head and shoulders above all other competitors.

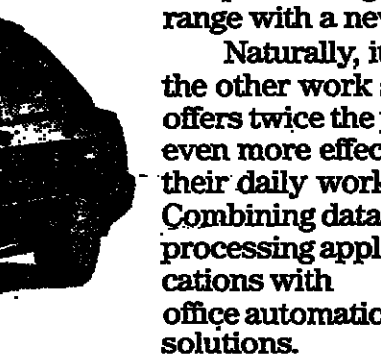
Taking first place in no less than eight categories.

Our B20 microcomputers are equally impressive.

They're designed around the way businesses work and grow. They can cluster up to 64 work stations. Each with its



own independent processor and memory. So, unlike with a personal computer, people can work the way they need to work. Sharing information and ideas. As well as resources such as disk printers and communications links. This month we're complementing the existing B-20 Series range with a new member called the B-28.



Naturally, it's compatible with all the other work stations in the range, but it offers twice the power. So users will be even more effective in their daily work. Combining data processing applications with office automation solutions.

How to double productivity.

In fact, a recent European survey by Helview found that people were twice as productive at writing programs on Burroughs systems as they were on IBM's.

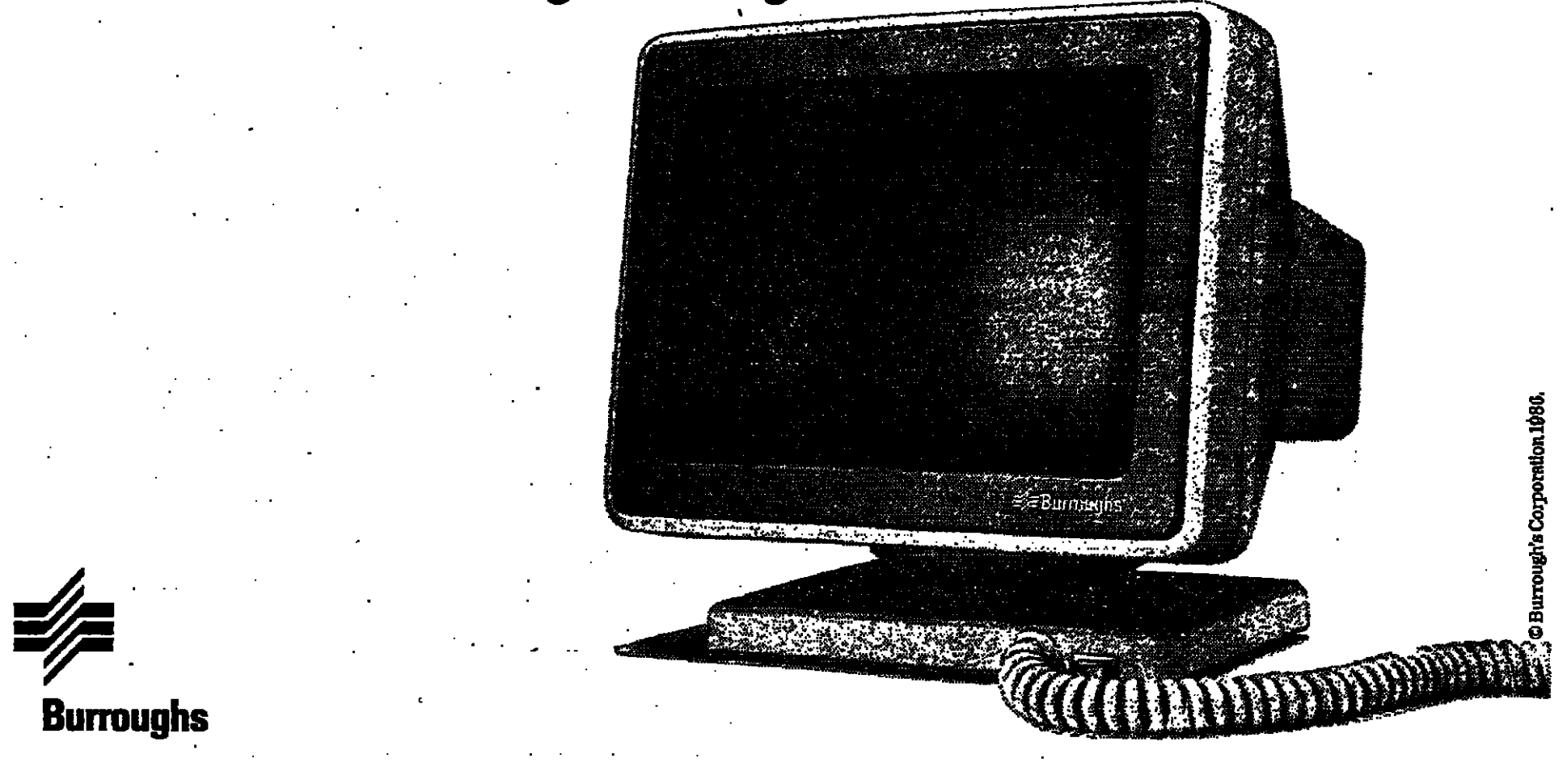
All in all, whichever Burroughs system you choose for your business you'll have something in common with the companies shown here.

Outstanding productivity. For more information call Brian Reynolds on 01-750 1420 or write to Burroughs Machines Limited, Heathrow Hse., Bath Rd., Hounslow, TW5 9QL.



MARSTON'S BREWERY.

But the way they save it doesn't.



© Burroughs Corporation 1986.

TECHNOLOGY

Elaine Williams on a carbohydrate-based product to deal with a common, and costly, disease down on the farm

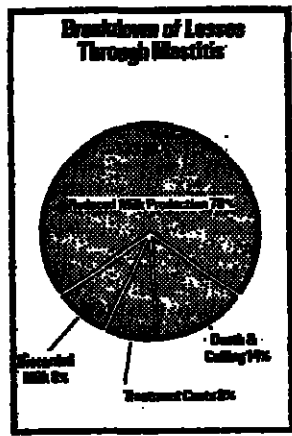
The key to a new treatment for cattle

CARBOHYDRATES are the key to a new treatment for a common cow disease which costs farmers millions of pounds a year in lost production.

BioCarb, a small company based at Lund in southern Sweden, has pioneered the development of a complex carbohydrate, found naturally in all animals. It has formed a joint project with Alfa Laval, one of the world's largest agricultural machinery and food processing companies.

"We hope to market the product before the end of the decade initially for the treatment and early diagnosis of mastitis, a bacterial infection in cows' udders. However, there is potential for the treatment in a wide range of animal diseases.

Mastitis is a distressingly common disease with an incidence rate which varies from country to country. In California, for example, about 50 per cent of cows are infected, which costs the state about \$200m (£80m) a year while the Netherlands loses F1 100m (£36m) a year in lost production. Sweden has 25 per cent infection in its herds. Today treatment is based



on giving antibiotics, which is generally effective but the cow's milk has to be thrown away until all traces of the antibiotics has disappeared. This may mean an extra four to five days in lost production.

BioCarb's researchers found that complex carbohydrates, also found naturally in humans, could help to reduce the spread of bacterial diseases (see story, right) without the disadvantages of antibiotic treatments and it could be used as a simple

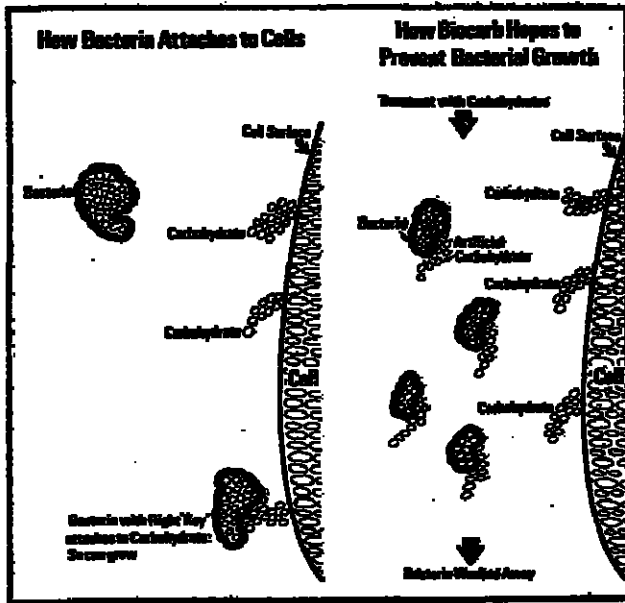
early diagnostic test.

Mr Johannes Schmelzer, head of research at Alfa Laval's agricultural division, believes such products will form an important part of the company's business in a sector already worth \$4bn worldwide. Alfa Laval first came into contact with BioCarb via its subsidiary, EWOS, and was impressed by BioCarb's expertise.

BioCarb is believed to be one of the first companies with commercial products based on carbohydrates. Research into carbohydrates is mainly carried out at universities in France, Japan, Canada and at Stockholm and Lund universities in Sweden.

Competition comes mainly from traditional pharmaceutical companies and the newer biotechnology companies which are developing monoclonal antibodies to treat the same diseases. On the same science part at Lund a new company called Biolvent, set up by university researchers, is developing a product to combat diarrhoea in piglets.

BioCarb was founded in 1983 by four scientists from three Swedish universities and financed by private venture capital from the



financiers, Erik Fensler and Anders Wall. So far it has spent SKr 30m (£3m) in developing its products.

The company is run by Per Sjöberg, managing director, who was head hunted from Astra, one of Sweden's largest pharmaceutical companies, while the university professors guide research and decide suitable projects while still working and teaching at their academic establishments.

BioCarb sees the way to growth by forming joint projects with other companies, not necessarily Swedish,

which might be interested in products for their own markets. Apart from Alfa Laval it has agreements with Biostat, a medical diagnostic company in West Germany, and Carbi-Verum, Sweden's state-run pharmaceutical company.

Though BioCarb has an eye to making a profit by 1988, it does not forget the importance of giving something back to the universities which spawned the idea. It sets aside SKr 5m to give to university departments each year to ensure a continued crop of ideas.

A sweet solution with a mission to fool bacteria

BIOCARB'S FORTE is a relatively new area of biologically active carbohydrates which can be best thought of as complex sugars and are believed to play important roles in the workings of the human body and animals.

Carbohydrate strands are connected to many cells in the body such as blood cells and stomach cells.

Research shows that bacteria which enter the body attach itself to the sugars so it can thrive and grow rather in the way that a parasitic plant such as ivy clings to a tree.

But the bacteria has to have the right key to fit the sugar's lock. That is why not every bacteria which enters the body can grow.

BioCarb's researchers are synthesising these sugars in the laboratory so that when given in soluble form they can fool the bacteria to cling to these free-floating carbohydrates instead of the carbohydrates which belong to the cells. The bacteria can then be washed away and excreted.

The idea has been used to help prevent piglets developing diarrhoea—a common, and often fatal, pig illness. The

How it works

company already has trials running in Sweden and has a joint project with Nygard, a Norwegian company.

Another product close to commercial exploitation is a new method of blood grouping using carbohydrates. Per Sjöberg, managing director of BioCarb, said that a difference in blood types is in the carbohydrates which are attached to the cells. This test is likely to be cheaper and easier to use than conventional techniques.

He said that the theoretical applications of these complex sugars are wide ranging—from a wound healing to more sensitive diagnostics for bacteria, an X-ray contrasting technique for specific organs in the body, cancer diagnosis, fertility treatment, purification of biotechnology products and even as a method of reducing friction for boats. So far its SKr 10m turnover has come from selling material for research.

"Refurbishment and Maintenance for Commerce and Industry"

Tom Green Construction Limited
0277-354141

Testing time for robot

RESEARCHERS at the UK Atomic Energy Authority's laboratories at Harwell, Oxfordshire, have linked a robot to a testing instrument to help engineers find the source of cracks in metal parts such as pressure vessels or the legs of oil rigs.

The Chalmers Millarcon robot carries an ultrasonic device which emits a stream of sound pulses, indicating the position of the cracks and other structural defects.

With software developed at Harwell, the robot can be instructed to move to a variety of positions over the object to be inspected.

A facsimile double

THE number of facsimile transmitter machines in Britain has almost doubled in the past year, says the British Facsimile Industry Consultative Committee.

A survey by the committee, which comprises representatives of the equipment manufacturers, found 20,000 machines were installed last year, bringing the UK total to 47,500. The committee says the figure will top 100,000 next year.

Virtually all the new installations are Group 3 facsimile machines, which work faster and give better representations than Group 2 and Group 1 machines. Group 3 machines made by one company can be linked to other companies' models using international standards.

Details from BFICC, 9 London Road, Newbury, Berkshire.

Next instigate a kiss between George and Lorraine

Video & Film

By JOHN CHITTOCK

Hi-Fi equipment and video-cassette recorders have become as complicated to operate as high-performance sports cars. It would be a dishonest video expert indeed (including this one) who denied that the recording of a precious TV programme, pre-set on the VCR timer, had never been lost because of operator error.

Any VCR manufacturer seeking a clean sweep of the market for first-time buyers would be advised to recognise this problem. On another level, the designers are intentionally leading more responsibility on to the user and with justification.

The reason is the rapid growth of interest in interactive video systems, where the viewer can exercise control over the way the programme content is accessed.

Consumer video games are its most popular manifestation. The latest to land on my desk is one of a line now based on feature films — this one from

well-indexed data base on building and architectural supplies. Every purchase inquiry is not only answered on the monitor screen but the information "delivered" to the electronic mail boxes of subscriber-suppliers.

Additionally, Tradetink is using conventional mailing to circulate the print-out of inquiries to other possible suppliers.

Dedicated data services aimed at specialist users are proving to be the saviour of videotex, which has had a long haul, especially through the public telephone Prestel network. But in 1985 overall use of Prestel rose 44 per cent and travel agency use in August was up 750 per cent on the previous year. Prestel is now in profit for the first time and the technology has emerged as the preferred international

system. The real excitement in interactive systems, however, is coming from the video sector. Many developments in this area are well-documented—such as the Lloyds Bank network of 1,500 players used for local training; the intriguing application of "surrogate travel" which allows a viewer to use a joystick control to explore the geography of a location, changing the direction of travel on the screen at will; and the IIS project for in-car navigation using real pictures from a video disc instead of computer graphics, and controlled by continuous transmitter references from a geostationary satellite.

More mundane uses are no less important. A British Airways interactive video disc programme about aircraft safety won praise at the Inter-

active Video Awards in London last November.

Specialised rather than trivial pursuits are characterising the trend. One company, Financial 1, is providing training programmes for the City and has just released a series about the European market. Another, Interactive Information Systems, has developed training packages which come with the equipment on rental so that relatively small companies can afford this quite expensive medium.

Numerous specialist companies have been set up in the UK to respond to the demand—among the market leaders are Compegnet, IMS, Futurmedia, VFS, Aspen, New Media Productions, Visual Data Systems and Epic. Well-established production companies such as World Wide Pictures, Moving Picture Company, Infovision

and Blackrod are committed to the medium.

With this activity, and excellent pioneering work at London University's audio-visual centre and BBC Open University Productions, Britain is well in front in programme experience. It also has the National Interactive Video Centre in London, indispensable as a showcase, training ground and information centre. The Department of Trade and Industry, the Manpower Services Commission and other government agencies are also giving interactive video considerable support with money and projects.

There are problems, however. Interactive Video interfaces the moving picture, the computer and the viewer. This is a potentially confusing and at times incompatible mix. The computer programmers, through their unique, even esoteric,

knowledge are at times at risk of sacrificing the creative power of the moving picture producer, who is becoming more of an architect working to specification than a creative communicator with a blank canvas to fill.

The hardware manufacturers also are in danger of forgetting how complex their systems are becoming, systems which are intended to make communication easy. Like the domestic VCR and the home computer, their equipment tends to take the user's knowledge for granted.

This is a problem that needs to be tackled. When manufacturers cannot even agree on terminology to describe the function of controls, nor write instruction books which are cogent and lacking in ambiguity, they are revealing a huge marketing weakness. Tied by the gobbledegook they claim is simplifying the difficulty—"user friendly." Why don't they just say "easy to use?"

CAMDEN
MOTOR RENTALS LTD
THE PROGRESSIVE FLEET DECISION
TELEPHONE: 0525 372700

FT
FINANCIAL TIMES
CONFERENCES
Cable Television & Satellite Broadcasting
Hotel Inter-Continental, London 4 & 5 March 1986

We're making history at the following stockists.
The new Brother EM Series is destined to be the start of a new era in office electronics. See our advertisement on page 17, then contact any of the Brother stockists below. They will give you a no-obligation demonstration which promises to be quite an event in itself.

BIOTECH '86
THE INTERNATIONAL INDUSTRY EVENT
WEMBLEY CONFERENCE CENTRE LONDON 13-15 MAY 1986

These are the industry aims and the conference topics:

- Make profits
- Build on R&D
- Create vaccines
- Defeat AIDS
- Manage waste
- Engineer protein

Biotech '86 brings it all together... the people, the products, the practical issues.

FOUR CONFERENCE THEMES

- International Business Forum
- Chemical & Enzyme Technology
- Biotechnology in Healthcare
- Natural Materials and Vaccines with options to suit your needs.

THE INDUSTRY EXHIBITION

The latest from more than 70 industry leaders including... Pharmacia, Millipore, Barclays Bank, Alfa Laval, Boots, Harwell, New Brunswick, Damon Biotech, Ecolabite (UK), Leicester Biocentre, Paterson Candy International and Geltner.

Phone Pam Howard on 01-868 4466 for full details. Or complete the coupon.

online
promoting technology to the business world

Online International Ltd
Priner Green House, Priner,
Middlesex, UK. Tel: 01-868 4466
Telex 923498 ONLINE G Fax: 013689933

FT
FINANCIAL TIMES
CONFERENCES
Cable Television & Satellite Broadcasting
Hotel Inter-Continental, London 4 & 5 March 1986

Questions to be debated at the fourth Financial Times Cable Television & Satellite Broadcasting Conference include:

- What programmes will Mr Maxwell persuade the consumer to buy outside of the BBC's remit on their DBS channels and will they be attractive enough to equipment?
- How will the three-way battle for the European satellite between the Microsoft, Sky Channel and ITV's Super Channel turn out?
- How can the cable operators speed up subscribers that will turn cable television into a serious business?
- Are interactive services a business for the next decade rather than this?
- Will the price of home satellite receiving equipment fall rapidly enough to pose a threat to the growth of cable?

Some of the speakers taking part: Mr Robert Maxwell, Publisher Mirror Group Newspapers Ltd; Mr Alain Girard, Director General Ministère des PTT; Mr John Dewey, Director General UK Cable Authority; Mr David Pleatling, Managing Director Granada Television Limited; Chairman Independent Television Companies' Association; Professor Albert Scharr, Deputy Director General, German Broadcasting Corporation; President European Broadcasting Union.

Mr John Rose-Barnard, Chief Executive, Coventry Cable Ltd

Cable Television & Satellite Broadcasting

The Financial Times Conference Organisations, Priner Green House, Priner Street, London EC4A 3DF. Tel: 07-641 1388. Telex: 923498 ONLINE G. Fax: 013689933. Please send me full details.

Name _____
Title _____
Company/Organisation _____
Address _____
Country _____
Telephone _____
Telex _____
Type of Business _____

brother
The future at your fingertips.

DEPARTMENT 1, BROTHER OFFICE EQUIPMENT DIVISION, SHEPLEY STREET, AUNDENSHAW, MANCHESTER M34 5JD. BROTHER INDUSTRIES LIMITED, NAGOYA, JAPAN.

SCOTLAND/NORTHERN IRELAND

Aberdeen. Beam Office Equipment. Tel: 0224 63774.
Belfast. Johnstons Business Machines. Tel: 0232 732223.
Dundee. Beam Office Equipment. Tel: 0382 818010.
Edinburgh. Office International. Tel: 031-557 2888.
Welglo Office Equipment. Tel: 031-667 0195.
Glasgow. Office International. Tel: 041-332 2933.
Stornoway. Esprint. Tel: 0851 3244.

NORTH EAST

Hull. Custom Business Equipment. Tel: 0482 24412/3.
Leeds. George Jackson. Tel: 0274 877115.
Middlebrough. Cleveland Copiers. Tel: 0642 218761.
Newcastle-upon-Tyne. Office Equipment Selection. Tel: 091-268 3333.
Scarborough. Paperstat. Tel: 0723 366066.
Stockton-on-Tees. F & F Mowbray. Tel: 0642 601314.
York. Dominick Office Equipment. Tel: 0904 59100.
Jesper. Tel: 0904 647766.

NORTH WEST

Ashton U Lyne. Ashton Office Supplies. Tel: 061-330 2348.
Blackburn. Abacus Ltd. Tel: 0254 52303.
Bolton. Wildings Office Equipment. Tel: 0204 386937.
Kendal. KTD. Tel: 0539 33288.
Lancaster. Mains Business Equipment. Tel: 0524 66999/66666.
Leigh. SKD. Tel: 0942 603326.
Liverpool. Athertons Typewriters. Tel: 051-236 7977.
Manchester. Wilding Office Equipment. Tel: 061-834 5682.
J. Ray & Sons. Tel: 061-832 7187.
Office International. Tel: 061-728 2585.
Rhyd. Conrad Hadley. Tel: 0745 53711.
Warrington. Warrington Business Machines. Tel: 0925 37295.
Wrexham. B.E.C. Tel: 0978 6109L.

EAST MIDLANDS

Derby. Office International. Tel: 0332 40571.
Pywells. Tel: 0332 48628.
Kettering. Days. Tel: 0536 84896.
Leicester. Leicester Typewriters. Tel: 0533 24848.
Lincoln. Office International. Tel: 0522 28477.
Northampton. Wilding Office Equipment. Tel: 0604 22713.
Nottingham. Bennetts. Tel: 0602 476865.

WEST MIDLANDS

Birmingham. Harrison & Fowler. Tel: 021 622 4681.
Cheltenham. Dataphis. Tel: 0242 30030.
Cirencester. Churn Business Machines. Tel: 0285 68684.
Hereford. Wyvern Typewriters. Tel: 0432 268783.
Nuneaton. Marse Business Equipment. Tel: 0203 386407.
Stoke on Trent. Office International. Tel: 0782 281325.
Walsall. Darlaston Typewriters. Tel: 0922 32661.

EAST ANGLIA

Cambridge. Wilding Office Equipment. Tel: 0223 65714.
Colchester. Markham Office Equipment. Tel: 0206 68511.
Ipswich. Wilding Office Equipment. Tel: 0473 57469.
Kings Lynn. Murdins Office Equipment. Tel: 0953 74915.
Norwich. Barnes Business Equipment. Tel: 0603 660903.

SOUTH WEST/SOUTH WALES/CHANNEL ISLES

Barnstaple. Barnstaple Office Equipment. Tel: 0271 78594.
Bournemouth. Abacus Business Machines. Tel: 0202 423204.
Bristol. Wilding Office Equipment. Tel: 0272 277396.
Typeasy. Tel: 0272 49955.

Cardiff. Cardiff Typewriters.
Tel: 0222 397170.
Guernsey. P.B.S. Tel: 0481 22671.
Plymouth. Yonlens. Tel: 0752 48031.
Swansea. Potter & Morgan. Tel: 0782 49496.
Truro. Harris & Hall. Tel: 0872 72905.
Wimborne. Office International (South West) Ltd. Tel: 0202 877333.

LONDON

EC4. Ludgate Typewriters. Tel: 01 928 2871.
N3. Mayflower Business Machines. Tel: 01-346 2556.
NWL. Office International (London) Ltd. Tel: 01-388 9344.
SEL. Lampress Ltd. Tel: 01-231 7857.
SEM4. Bennetts Electronic Business Equipment. Tel: 01-692 4941.
SW18. The Lyndon Company. Tel: 01-874 7744.
WCL. Wilding Office Equipment. Tel: 01-430 0333.

HOME COUNTIES

Brighton. Wilding Office Equipment. Tel: 0273 29079.
Chadwell Heath. European Business Machines. Tel: 01-599 0032.
Chelmsford. EDR Stationery. Tel: 0245 266073.
The Business Superstore. Tel: 0245 83131.
Chichester. Johnstons. Tel: 0243 776611.
Croydon. Wilding Office Equipment. Tel: 01-686 4957.
Fleet. Brian Bass. Tel: 0251 423900.
Harrow. Chamberlain & Ridgeway. Tel: 01-954 3195.
Hayes. Becketts Office Equipment. Tel: 01-573 3783.
Ilford. Wilding Office Equipment. Tel: 01-514 1525.
Milton Keynes. Holland Typewriters. Tel: 0908 640033.
Oxford. Hylands. Tel: 0865 723511.
Office International. Tel: 0865 778981.
Portsmouth. Office International. Tel: 0705 697441.
Rochester. Summers Ltd. Tel: 0634 44733.
Southampton. Hallens. Tel: 0703 558578.
Stanstead Abbot. George Wright Business Machines. Tel: 0920 870218.
Southend. Edwards Office Services. Tel: 0702 346571.

سكزا من الاجل

هكذا على التوالي

ADVERTISEMENT

Brother makes history with UK typewriters. Brother's dynamic growth in Europe.

WHEN Brother Industries launched the first typewriter from its new Wrexham plant last August, it was an historic moment for British industry—the first time typewriters had been produced in this country for ten years.



J. Cattini, General Manager, Brother Office Equipment Division. Brother Office Equipment Division.

a month at its new plant in Wrexham, but Mr Cattini predicts that even this output is going to be overtaken by the demand throughout Europe.

chosen to be the official typewriter at the Los Angeles Olympic Games, and 3,000 Brother machines took a pounding from 10,000 of the world's Press.

ic typewriter market is estimated to have been worth £1.5 billion last year and sales are currently growing at the rate of five per cent per annum.

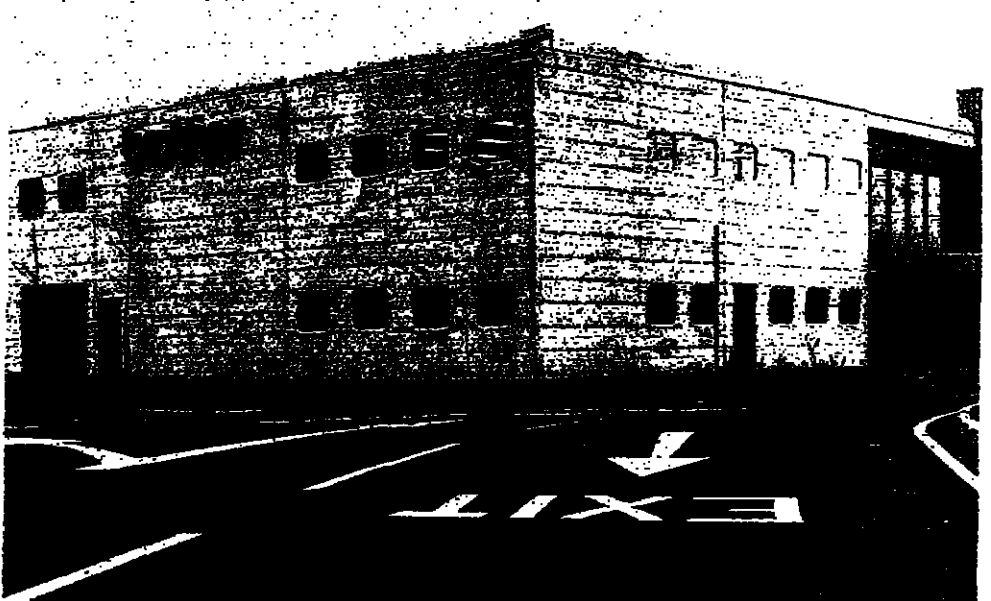
BROTHER INDUSTRIES is now the second largest producer of typewriters in the world, making one in eight of all typewriters sold.



K. Tazaki, Managing Director, Brother International (Europe) Limited.

Manchester because the company merged with its former UK customer, Jones Sewing Machines in Audenshaw.

Wrexham plant moves into full production.



Brother's first British plant, at Wrexham.

factories and was presented with a Brother "Picoword" Japanese language machine.

and methods of production are all based on Japanese systems, but are not as rigid as those in many firms.

Teenage record breakers. TEENAGE Welsh girls at the new Brother Industries Wrexham factory are challenging the Japanese experts with their record levels of production.



Brother's highly efficient all girl workforce.

Blossoming in Wales...

AN IMAGINATIVE gesture by the Japanese Brother Industries group has ensured that in years to come North Wales will be as famous for its cherry trees as its Brother typewriters.

of 1984. The company had decided it could not realise its potential in a fast growing market if it was dependent on bringing typewriters in from Japan.

It set up immediately last March in Portcabin and trained local staff so well that the first machine, the AX-10, came off the line within four months.

The building, described by one executive as "the space capsule", is light and airy and as far removed from the grimy, smoky image of a factory as the electronic products it produces are from those of the Industrial Revolution.

Let's make typewriters.

HOW did Brother, the pioneer in sewing and knitting machines, move into the typewriter business?

the seed of so much of Brother's current business. He and his colleagues had never even examined a typewriter closely before and they solved construction problems by making prototypes of their own.

Wrexham girls are now turning out a machine at the rate of one every 38 seconds. Brother is immensely proud of the Wrexham team and says it proves what a British workforce can do when highly motivated.

Advertisement for Brother EM Series typewriters. Features images of several typewriters and promotional text: 'The new Brother EM Series. Vanguard of the first ever range of heavy duty office electronics to be built in Britain.' Includes contact information for Brother Office Equipment Division.

UK NEWS

You'll always be recognised by your taste in Scotch.



Johnnie Walker Red Label.
Recognised for good taste throughout the world.

JOHN WALKER & SONS LTD, SCOTCH WHISKY DISTILLERS, KILMARNOCK, SCOTLAND.

Westland 'facing stalemate if Euro offer succeeds'

BY LIONEL BARBER

THE BOARD of Westland yesterday gave a warning to its shareholders that the ailing British helicopter maker faced "the spectre of stalemate" if its favoured Sikorsky/Fiat rescue plan was defeated at next Monday's extraordinary general meeting.

The warning came in a shareholders' circular published yesterday and aimed at countering the threat of the rival European aerospace consortium's tender offer for 21 per cent of Westland's equity.

The tender offer of 130p a share threatens to sink the rescue put forward by Sikorsky, the US helicopter maker, and Fiat of Italy, which requires a simple majority at the meeting on Monday. It is aimed at small shareholders who are likely to prove decisive in the vote.

Sir John Cuckney, Westland's chairman, said in the event of a de-

feat, the Europeans would have to submit their own plan to shareholders. The Westland board understood that the consortium and its advisers, Lloyds Merchant Bank, would not be able to vote the shares it controlled at such a meeting.

"Once again the company would be facing the spectre of stalemate," said Sir John.

This point has apparently been conceded by the European camp, comprising British Aerospace, GEC, Aérospatiale of France, Agusta of Italy, and Messerschmitt-Bölkow-Blohm. However, it is their view that if the Sikorsky/Fiat rescue is defeated, the Westland board will be forced to resign and Sikorsky compelled to withdraw.

According to this view, the Europeans would then be able to step in with their own proposals, supported by Mr Alan Bristow, the former hel-

icopter operator who controls around 17 per cent of the helicopter company, Sikorsky/Fiat supporters, notably Hanson Trust, the UK industrial holding company with 15 per cent of Westland, would then withdraw too.

This presumes that small shareholders accept the tender offer, which at 130p is above last night's closing price for Westland of 123p, down 7p on the day. Unless the tender secures at least 21.2 per cent of Westland shares, it lapses. Shareholders are therefore being advised to complete proxies irrespective of whether they accept the tender.

Sir John, while refraining from telling shareholders not to accept the tender, appealed to them yesterday to consider the long-term interests of the company rather than short-term cash gain.

Redland in US land project

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

REDLAND, the UK-based building materials group, has formed a three-way partnership to develop 800 acres of land in San Antonio, Texas.

The residential and commercial development project is likely to take several years to complete and will be carried out on land originally earmarked for quarrying stone.

In January 1983 Redland paid \$70.4m for an 81 per cent stake in Boston Industries Corporation, since renamed Redland Worth. The UK group now owns 57.5 per cent of the US operation, which operates a large limestone quarry on the outskirts of San Antonio.

Redland said yesterday that to meet increasing demand and to expand capacity, a new crushing and

processing plant was being built on land closer to the quarry face than the existing installation. The move, with some additional land purchases, meant that a large part of the site could be released for the development.

The project is likely to include a shopping mall as well as housing and office development. Infrastructure work, the first phase of which will be funded by local institutions, will start shortly. Land will be offered to a variety of developers and the partnership itself may become involved in some of the projects. Management of the project will be carried out by Trameil Crow, the US developer.

The partnership comprises Redland, USAA, a Texas-based insur-

ance group, and Mr G. W. Worth, chief executive of Redland Worth. About 700 acres of land originally owned by Redland Worth has been transferred to the partnership shareholders on a pro rata basis, leaving 57.5 per cent with Redland and the balance with Mr Worth.

USAA has purchased some adjacent land, taking the total available for development up to 800 acres. The land held by the partnership has a value of \$60m, of which \$41m relates to the Redland holding. The UK materials group will sell land valued at \$23.2m to the partnership and will contribute the balance of its land interests as partnership. The cash raised by the immediate land sale, which will be paid in five equal instalments, will be used to reduce Redland's borrowings.

OFT studies ruling by European Court on franchise terms

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE OFFICE of Fair Trading (OFT) is studying the implications for Britain's franchise industry of the European Court of Justice's first ruling last week on the legality of exclusive franchise contracts.

The OFT has for some years monitored the fast growth of the franchise movement in Britain, which now accounts for total UK sales of about £1.7bn.

It has been concerned that the imposition of certain terms and conditions, including exclusive territories and specific suppliers for franchisees, might be at odds with the UK's restrictive trade practices legislation.

The OFT confirmed yesterday that it would be looking at the European Court judgment to see whether any action was needed.

It is, however, likely to delay any amendments to UK competition law until after the European Commission has had a chance to consider the court's judgment. The commission is expected to draw up rules about the compatibility of franchise agreements within the EEC's competition policy legislation.

Such guidelines may take some time to emerge because it is understood that the commission has had little experience with the rapid growth of franchising throughout Europe.

The European Court's judgment was given in a case involving a West German franchisee and Pronuptia, the French company that franchises a wedding dress hire business throughout Europe.

The contract was challenged by the German franchisee on the ground that it violated EEC competition regulations.

That was the first time the court had ruled on a case involving a franchise contract and its findings were complex and appeared to pose more questions than they answered.

The court found that, while franchising of products sold through retail stores was not in itself in contravention of EEC competition laws, it was possible that some specific terms and conditions were in violation of the Treaty of Rome applied to franchise agreements in member states.

Mr Martin Mendelsohn, a leading franchise consultant, said yesterday that the "court has not taken a catastrophic view of franchising but its ruling still leaves some potential minefields ahead. He suggested that the court's findings might eventually lead to the revision of many UK franchise contracts.

The threat of official investigation into the legality of franchise contracts has faced the UK industry for some years because of the rapid growth in popularity of franchising.

Many of the leading franchise companies are likely to welcome moves to ensure a firm legal base for franchising throughout Europe to help to develop franchise opportunities in other countries.

Survey says prices no longer shoppers' priority

BY OUR CONSUMER AFFAIRS CORRESPONDENT

SUPERMARKET customers no longer regard price as the most important factor when choosing where to shop, according to a survey of consumer buying habits which suggests that convenience of store location is now the dominant factor in determining where people shop.

The survey, carried out by Harris International Marketing, has significant implications for the large supermarket multiples, which believe price competition still forms a large part of their marketing strategies.

However, the survey's findings add weight to the view in the grocery trade that a price war similar to the one started by Tesco in the late 1970s is unlikely in the next few years.

The survey, based on annual interviews with up to 100,000 shoppers, reveals that only 35 per cent of consumers rate price as the key determinant for choosing a supermarket.

In 1980 55 per cent of those surveyed gave price as the main reason for choosing a store.

Convenience of store location was valued by 37 per cent of the sample in 1980. The latest surveys show that 59 per cent regard this as the most important reason for choosing where to shop.

The findings are borne out by other surveys which Harris conducted for retailers and manufacturers. Across 1,000 brands in 49 differ-

ent product categories researched, 73 per cent of consumers on average chose particular products because of quality, while only 26 per cent said price was the key factor.

Mr Brian Offen, a director of Harris, said yesterday that there were two main reasons for the lower price sensitivity among grocery shoppers.

"Families are spending proportionately less of their household budget on food as living standards rise, so price becomes less important to them," he said.

"Moreover, the continuing rise in the numbers of women at work means that many do not have the time for shopping around for the lowest prices and hence value convenience more."

Mr Offen warned the supermarket chains "to ignore these findings at their peril." Any supermarket chain which started a price war would be going against the clear trend among consumer preferences.

His views are echoed in a study of the grocery trade, carried out by the Verdict market research company, which believes that "aggressive price competition between the major companies is unlikely to begin for a number of years yet."

"How Important is Price?", published by Harris International Marketing, 320, Regent Street, London, W1, price £20.

Yuken Kogyo sets up valve assembly unit

BY NICK GARNETT

YUKEN KOGYO, the Japanese hydraulic equipment manufacturer, is setting up a small assembly operation at Speke, near Liverpool, to make oil hydraulic valves for the European market.

The business will be run by Yuken Kogyo UK, the company's distribution business, from its existing premises at Speke and is intended to produce 10,000 valves a year. The company said yesterday that it wanted to set up full manufacturing within a few years if sales growth warranted it. Both developments,

would involve only a few jobs.

Yuken Kogyo, which claims to be Japan's largest specialist manufacturer of hydraulic machinery with total sales last year worth £84m, said the move was designed to prevent trade friction with European competitors in advance of expected growth of Japanese exports in hydraulic equipment.

The supply of a range of Japanese-made basic engineering materials is expected to become a significant political issue between Japan and Europe.

Commodity conspiracy alleged

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A CITY of London commodity company dealing in strategic metals was involved in a \$12m conspiracy to defraud unsuspecting investors in the US, the High Court was told yesterday.

Highfield Commodities, the principal directors of which are Mr David Whitfield and Mr David Harrison, was "conceived and operated as a simple conduit of fraud," said counsel for the Trade and Industry Secretary.

About 85 per cent of the money received from hundreds of investors was shared between Highfield and its US sales associates in the form of grossly extortionate fees, commissions and alleged expenses, said Mr Philip Heslop, QC.

The US associates, Highfield of America, of New Jersey, and Strategic Commodity Corporation, of Hollywood, California, had attracted a welter of litigation from investors and a variety of US enforcement agencies.

The Trade Secretary is seeking

an order that Highfield Commodities be compulsorily wound-up by the court in the public interest.

Mr Heslop told Mr Justice Mervyn Davies that the company, which was not represented in court, did not consent to a winding-up order being made but did not oppose the petition.

The alleged fraud was said to have been carried on between about April 1981 and January 1984, when the Trade Secretary stepped in and the Official Receiver was appointed provisional liquidator of Highfield Commodities.

Mr Heslop said that Highfield's US associates used extremely undesirable "boiler-room tactics." They bombarded people with telephone calls to invest in strategic metals such as titanium, cobalt and nickel, connected with US defence requirements.

In almost no cases was metal actually bought and at the end of the investment period the conspirators engaged in wholly fictitious trans-

actions purporting to show a sale of the investor's metal.

He said the scheme had been nipped in the bud by the Trade Secretary at a relatively early stage, but only after considerable amounts - averaging about \$5,000, but in one instance almost \$80,000 - had been obtained from investors.

Mr Heslop commented that it might not be accidental that the majority of the investors lived in Arizona, California, and other western US states, which meant that when they complained they experienced considerable difficulties in terms of jurisdiction and costs in trying to recover their investments or obtain compensation.

Although Highfield Commodities had tried to put the blame on its US associates, there was conclusive evidence that it had, from the outset, been an active participant in the conspiracy to defraud, Mr Heslop said.

The case is expected to end today.

Make sure you're heard above the din.

You have been bombarded with opinions, advice and now tenders for your shares.

Understandably, you may feel confused as well as deafened.

More dangerously for your company and your right to vote, you may be tempted to delay sending your proxy vote until you know the result of the tender.

But this may well be too late.

The result of the tender won't be made known till 9.30am on Monday 10th February.

Just one hour before the last date for

receipt of proxies - 10.30am on the same day.

If the tender fails and you can't make the Extraordinary General Meeting, you could lose your vote. Your Board urges you to return your pink proxy card immediately, whether or not you tender your shares.

Once again, we advise you most strongly to support the Sikorsky/Fiat proposals.

We are convinced they are best for the future prosperity of Westland.

WESTLAND

UK NEWS

Disputes law favours Murdoch

BY DAVID BRINDLE AND DAVID THOMAS

MOST of the nine UK-based journalists on The Times who have so far refused to move to the new printing plant of Mr Rupert Murdoch's News International at Wapping, east London, yesterday presented themselves for work at the newspaper's abandoned offices. A 10th journalist, who has a foreign posting in Singapore and is refusing to accept the move to Wapping in principle, made himself available to file stories to the deserted offices, in Gray's Inn Road, London. The journalists' demonstration of their willingness to work under previously agreed conditions is one of the few legal advantages held by the unions in the Wapping dispute. Should any of them ultimately claim unfair dismissal, they may be able to prove that agreements were not broken on their part. In other respects, the legal dice are loaded heavily in favour of News International, which has moved all four of its national newspapers - the others being The Sunday Times, the Sun and the News of the World - to the Wapping plant where the traditional print unions are excluded. About 5,000 members of the National Graphical Association (NGA) and Sogat '82 have been dismissed after going on strike over the move. The dispute shows how restrictive the law can be for unions entering disputes against employ-

ers who prepare the ground well. The main legal points - setting aside the mounting pile of writs and injunctions secured by News International against the NGA and Sogat '82 and the Transport and General Workers' Union - are these: News International printers. The legal position of the Sogat '82 and NGA members who struck after a successful pre-strike ballot under the 1984 Trade Union Act is quite simple. News International dismissed them for taking this action. Industrial action breaches a contract of employment and employers' right to dismiss for this pre-dates changes to trade union law made by the present Government. Generally speaking, workers lose their claim to redundancy pay if they are dismissed for striking. Both sides seem to be assuming that this is the case with the striking printers at News International. The dissenting journalists. Their position in law is much less clear than that of the printers, but scarcely more advantageous. The key issue is whether News International was within its rights to tell its journalists to move to Wapping. If so, then those refusing to move are in effect engaging in industrial action - even though they may continue to report for duty at their former workplaces. If not, then the company is changing their terms of employment to such an extent that it is in effect dismissing them - an action known as "constructive dismissal". A plea of constructive dismissal would be supported if the journalists' employment contracts stipulated their old place of work. Few employment contracts are so specific. Without such a stipulation, tribunals would on past precedent consider whether the employer had acted reasonably in making the change and whether the request itself was reasonable - whether, for instance, Wapping was unacceptably far away from Gray's Inn Road or News International's other works in Bouverie Street, off Fleet Street. The dissidents believe they have a sound case in that their house (local) agreement with the company provided for due consultation before employment terms were changed. Secondary action. The 1980 Employment Act substantially narrowed the range of industrial action which is immune in the courts. Most industrial action other than that by employees against their own company is now illegal. However, action against a direct supplier and customer of the company in dispute is still immune from court action. On paper, it looks as though these provisions should cover what

Michael Cassell on the moves that could signal a newspaper property boom Developers' sights on Fleet St.

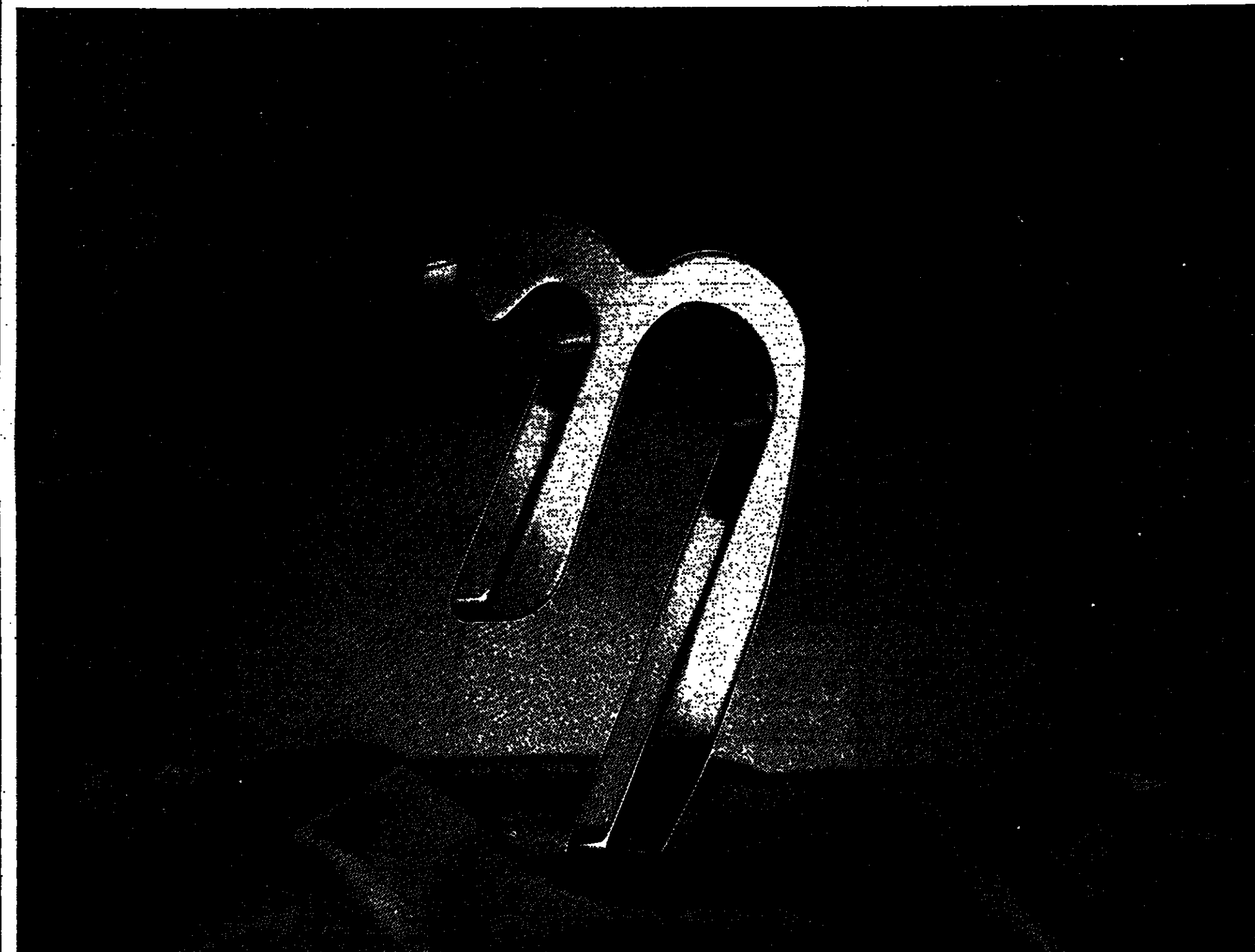
THE MASS migration of publishing houses from the Fleet Street area is set to trigger a wave of commercial property development in the heart of London's newspaper land. While most recent attention has centred on Mr Rupert Murdoch's campaign to break away from Fleet Street and its legendary labour relations problems and to re-establish News International's operations in London's docklands, several other big newspaper groups are already well advanced with plans to relocate. Union management relationships apart, the combination of new technology and rising property values has encouraged publishers to press on with plans to relocate at least some of their activities away from their traditional Fleet Street base. In post-war years, most modern office development has taken place close to the heart of the City, with comparatively little activity centred on Fleet Street, long considered to be a second-choice location for office employment. The continuing presence of extensive newspaper printing and editorial operations had given little room for significant new development. But pressures on City accommodation have been growing and companies have shown themselves increasingly prepared to move from the City's inner core. As a result, rental levels in and around Fleet Street have risen sharply in recent years, with top rents now reaching £22 (£30) to £23 a sq ft (0.09 sq m) against top City rents of £35 a sq ft. Less than 10 years ago, rents around Fleet Street and nearby Holborn were generally under £10 a sq ft. The big uplift in property values has made the retention of printing works - essentially factory floor-space - in high-value accommodation increasingly uneconomic and unrealistic. Modern printing techniques have, along with the need for reduced manpower, significantly cut floor-space requirements. Publishers are, consequently, on the move to cheaper, more efficient premises, taking with them the promise of big once-and-for-all profits from the sale of properties left behind. The controversial relocation of News International's operations, from Fleet Street - where it printed the Sun and News of the World - and Grays Inn Road, home of The Times and Sunday Times, could pave the way for a large office redevelopment scheme. News International currently occupies extensive premises on the southern side of Fleet Street. Neither the company nor Weatherill Green & Smith, its retained surveyors, will say anything about plans for the property, although Mr Murdoch's pledge that his publishing operation would not return to its old building virtually ensure its ultimate redevelopment. The freehold of the Fleet Street premises is understood to be owned by News International and, with planning permission, could be worth at least £15m. At Grays Inn Road, the Sunday Times building is also owned freehold and could be sold on the investment market for up to £20m, while The Times building is held on a long lease from Electricity Supply Nominees and does not represent a particularly valuable property asset. Another big development opportunity could arise next door to News International in Fleet Street. Associated Newspapers, publisher of the Daily Mail and Mail on Sunday, owns several properties between Fleet Street and the Embankment. The group has announced its intention of moving its printing operations to Surrey Docks by 1988. On the north side of Fleet Street, an extensive office project is scheduled for the Daily Telegraph and the Sunday Telegraph site. In early 1983, the Telegraph group announced that it intended to move, by 1987, to a £50m printing works on the Isle of Dogs in London's Docklands and in late 1984 it confirmed that the Fleet Street headquarters had been sold for an undisclosed sum. The property is to be redeveloped by Rothsay Developments, a private property company. It is understood that editorial offices will remain in the front section of the building. The project is to be financed by the South East Bank of Miami and it is believed that the Telegraph will retain a financial interest in the development. Further north, a big question mark also hangs over the future of the Daily Mirror and the Sunday Mirror headquarters building at Holborn Circus. Mirror Group Newspapers (MGN) has announced its intention to cease printing its titles at Holborn in mid-1987 and has been looking at other sites, including some in Docklands. An MGN spokesman said no decision about a new printing site had been taken although Stamford Street now looked less likely. He declined to elaborate on the prospective use of the Holborn Circus complex. Of the big Fleet Street printing houses, only Express Newspapers has failed to join its competitors in the mass move. The new owners have called for substantial job cuts but, for the time being at least, seem happy to leave the Daily Express and Sunday Express in their distinctive Fleet Street home.

Britain seen when the pound was high and taxes low

BY ROBIN PAULEY

NOT ALL Victorian values were as worthy as some critics of today's "decadent" society would have one believe. While few in Britain would quibble if income tax returned to its 1884 level of 2p in the pound, it is doubtful whether many would support the employment of 90,000 boys and girls under 13 in the textile factories. The UK's Central Statistical Office (CSO) celebrates its bicentenary this year and has published a facsimile of the Statistical Abstract of 1886 with the 1986 Abstract. It gives a fascinating picture in figures of life in Victorian Britain as the Industrial Revolution gathered force in the years 1870 to 1885, when £1 would buy what £23 buys now. Mr Nigel Lawson, Chancellor of the Exchequer, working on the details of next month's budget, might look to the 1886 Abstract for inspiration. Duty was a shilling (5p) a gallon on wine and just over 10 shillings a gallon on rum, brandy, Geneva and Unammerrated spirits. The population of Ireland, all of which was in the UK when the Victorian abstract was compiled, declined steadily after the potato famine of the 1840s and by 1885 was about 5m, similar to today's figure. The population of England, Wales and Scotland, on the other hand, has doubled from 28m in 1871 to 55m now. The number of paupers, excluding vagrants, declined steadily from over 1m in England and Wales in 1871 to about 800,000 in the 1880s, but it increased rapidly in Ireland. The CSO comments: "The category of pauper no longer exists." In the 1880s, Britain had a police force of only 32,000 compared with 134,000 in 1984. The Army has

shrunk from 183,000 to 182,000 over the 100 years, but the political problems about the cost of defence remain. While politicians now argue about the number of noughts on the end of the cost of the Falklands, Trident missiles and Nimrod aircraft, they were vexed that £300,000 had to be spent in 1885 on the relief of General Gordon in Khartoum. Britain was a great trading nation in Victorian times but it imported £4 or £5 worth more of goods per head of population than it exported. Russia, France, Germany and the US were the main partners, but China, Turkey, Egypt and Brazil also had substantial import-export trade with Britain. In 1885 ships tied up at Britain's great seaports to unload £271m worth of goods, including 1m eggs, 710,000 pounds of opium, 730,000 pounds of ornamental leathers, 720,000 tons of brimstone, 25m furs, 785,000 clocks. British exports were slightly less exotic although their destinations were not - Haiti and St Domingo, Cape of Good Hope and Natal, possessions on the River Gambia, possessions on the Gold Coast, Java and other Dutch possessions in the Indian Seas. In 1885 the world bought from Britain 6,000 horses, 257,000 small firearms and 12.7m pounds of gunpowder. The textile industry boomed and Britain exported 45m yards of cloths and costings in 1885. A sizeable part of Britain's famed merchant fleet foundered every year. In 1884, 488 sailing ships and 183 steamships went down with the loss of 1,403 crew and 236 passengers. That was a relatively good year.



Special Subscription HAND DELIVERY SERVICE of the FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER in SPAIN & PORTUGAL For details of how you can obtain your subscription copy of the Financial Times, personally hand-delivered to your office in the locations indicated, contact: John Rolley Financial Times (Europe) Ltd Guilletstrasse 54 6000 Frankfurt/Main 1 West Germany Tel: 75980 Telex: 416193

It's worth over £2.4 million In Energy Efficiency Year what could be more appropriate than news of energy savings worth millions? Well last year 28 UK companies between them saved over £1.2 million on energy and £2.4 million in all by switching to electricity, with an average payback of less than 14 months. As if that weren't reward enough, each one also received a regional PEP (Power for Efficiency and Productivity) Award in the Electricity Supply Industry's annual scheme recognising companies who have used energy wisely and reaped major benefits. 85% energy cost saving Now congratulations go to the two national winners: Greggs of Gosforth who reduced energy costs for drying by 85% by switching from gas to electric air knives. And Dunkirk Metals Limited who recovered their £235,000 investment in just 9 months by changing from oil-fired to electric melting. Working with their local Electricity Board Industrial Sales Engineer (ISE), more and more companies of every shape and size are cutting energy costs and improving efficiency and productivity. Last year we helped British industry save about £60 million off their fuel bills. In Energy Efficiency Year, we'll be saving industry even more money. So make sure it's the year you contact your local ISE. When saving energy is the objective, electricity can offer some very effective answers. INVESTELECTRIC The energy-efficient switch. The Electricity Council, England & Wales

FT FINANCIAL TIMES
CONFERENCES

The London Motor Conference

- The Outlook for the Aftermarket

London, 17 February 1986

Developments in the automotive aftermarket will be the principal theme at this major one-day Financial Times conference, timed to coincide with the Autopartac '86 exhibition.

Issues to be discussed:

- * A major auto manufacturer's strategy
- * The American aftermarket into the next decade
- * Funding for competitiveness
- * The sourcing of components
- * Service in the retail market

A FINANCIAL TIMES INTERNATIONAL CONFERENCE in association with **AUTOPARTAC '86**

Some of the speakers taking part:

- Mr Roy Rogers**
General Motors Service Parts Operations - United Kingdom
- Mr Y C Kim**
The Panther Car Company Limited
- Mrs Anthea Worsdall**
Anti-Counterfeiting Group
- Mr John Wormald**
Booz, Allen & Hamilton International (UK) Ltd
- Mr Tom Farmer**
Kwik-Fit Holdings plc
- Mr John W Hartland**
Forward Trust Group

Enquiry Form
The London Motor Conference

Please send me full details of the London Motor Conference

FT FINANCIAL TIMES
CONFERENCES

To: Financial Times Conference Organisation
Master House, Arthur Street, London EC4R 9AX
Tel: 01-621 1355 Telex: London 27347 FTCONF G

Name _____
Title _____
Company/Organisation _____
Address _____
Country _____
Telephone _____ Telex _____
Type of Business _____

UK NEWS

Max Wilkinson looks at nervousness in the oil markets

A smile on the face of the tiger

IF OIL is getting so cheap, why is petrol still so expensive? As Opec ministers in Vienna continue to emphasise their disunity, pump prices in Europe have been little changed. In Britain the question of whether oil companies are being unreasonably greedy is becoming a political issue. In the US, also, there have been rumblings of discontent at the slowness of gasoline prices to respond to the spectacular fall in crude oil prices during the last three months.

The point has been emphasised by the 26 per cent improvement in Exxon's fourth-quarter profits announced last week. That partly reflected the sharp improvement in refinery margins in Europe, where the decline of the dollar has been cutting the cost of oil in local currencies since last spring.

Now, crude oil is also falling in dollar terms, having decreased in value by about 30 per cent in the last two months. In sterling terms the price of crude has almost halved since last spring, but pump prices are only about 8 per cent below their absolute peak of £2.04 reached in April last year.

The present average price of four star petrol is 188p (although it can be bought for less in some places). That is scarcely changed from the levels of last autumn when the spot price of crude was more than \$30 a barrel compared with about \$17 now for Brent crude for March delivery.

Because crude oil is priced in dollars but petrol and diesel fuel are sold in local currencies, refiners throughout Europe have achieved a very large improvement in their margins. The recent fall in the dollar price of crude has also been a boon to hard pressed US refiners.

In spite of this dramatic lowering of refiners' input costs and the recent availability of cheap cargoes of petrol on the European spot market, there has been no sign as yet of a repeat of the petrol price wars of recent years. That might partly reflect the fact that the damage that lower oil prices might do to oil companies' production revenues can be offset to a considerable extent by improved margins on downstream (refining) activities. Although petrol and diesel oil represent only 30 per cent of the refined products of a barrel of oil, they are now contributing a good slice of total profits.

As Mr Paul Spedding, oil analyst for the London broker Grieveason Grant, remarked: "It seems as if there is a more effective cartel in the petrol market than Opec has been able to maintain."

The oil industry, not surprisingly, denies even the possibility of pricing agreements. However, executives from several companies do say that the smaller independent companies have "learned the lesson" from previous price wars that "nobody gains in the end."

On the other hand, there is a general recognition in the industry that margins have now recovered to very respectable levels so that there is considerable scope for price cutting - provided the international oil price does not bounce back and, which is more uncertain, that sterling does not collapse.

However, any guess at the scope for future price reduction must first take account of the effect of the high proportion of the pump price taken by tax, and the strong temptation for any Chancellor of the Exchequer to grab an increased share if prices start to ease.

Out of a pump price of £1.89 a gallon for four star, excise duty accounts for 31.4p, and value-added tax for a further 25.5p. So a 10 per cent cut in the refiners' and retailers' part of the price would yield only a 3 1/2 per cent reduction for the consumer.

More important, the prices of petrol and diesel have to be considered against the background of a series of changes in the industry over the past few years.

The first change which refiners point to is the reduction of lead in petrol, from this month down from 4 grammes a litre of four star to 0.15 grammes. That has required considerable investment and adds about 3p to the cost of a gallon of petrol.

Against this the industry has achieved considerable savings over the past five years. Refining capacity has been reduced substantially, although there is still about 20 to 30 per cent of excess capacity in Europe.

At the same time, there has been big investment in and rationalisation of petrol stations. In the UK the total number of sites has been reduced from about 40,000 10 years ago to about 22,000 now. The closing of many of the old, smaller filling stations has dramatically reduced the distribution costs for oil companies.

Tankers now deliver much larger quantities of fuel to fewer sites, which are easier to get to - particularly those on motorways. As a result depots have been closed and the productivity of tanker drivers, measured in terms of fuel delivered, has been improving by more than 10 per cent a year for some of the major oil companies.

At the same time, new technology - for example in the electronic metering of tanker loads - has tightened security as well as improving efficiency. All that has required substantial investment, with the cost of refurbishing a large petrol station coming out at about £200,000. But for the larger operators there have been gains beyond those of increased efficiency.

Larger, brighter self-service stations have forced motorists to get out of their cars and then encouraged them to spend extra money in the service station shops. Some retailers now make a significant part of their total profits out of the shops and this all helps to improve margins.

The motorist and truck driver is also getting what one oil man described as "an overall attractive package" when he stops to fill up. The evidence is that consumers are prepared to pay for this marketing effort.

The more obvious marketing ploys, such as give-away glasses and petrol station bingo competitions have added about 2p to the price of a gallon. At the same time the economies of scale in large petrol stations and huge promotions have tended to reduce the opportunities for smaller independent companies to come in with aggressive price cutting strategies.

The present nervousness in the oil market and the major uncertainties about foreign exchange rates leave little room for complacency among the oil companies; but for the moment at least, there is, dare one say, a smile on the face of the tiger.

Taxi drivers lift boycott at Heathrow

FINANCIAL TIMES REPORTER

THE EIGHT-WEEK taxi shortage at London's Heathrow Airport ended yesterday when cabbies lifted their boycott. The action came as the British Airports Authority (BAA) suspended its 50p levy on taxis using the feeder park, where drivers wait for a summons to the main terminals' ranks.

Full service is expected to be restored this morning. The BAA and the Licensed Taxi

Drivers Association have agreed to accept the findings of a judicial review on the legality of the 50p charge, due to be heard on February 17.

A drivers' delegation will tomorrow ask Mr David Mitchell, Minister of State for Transport, to allow them to pass on the charge to passengers if it is reimposed.

When the issue was raised in the

House of Commons last December, Mr Mitchell said there might be a case for reducing fares to central London to reduce "excess profitability."

The average fare from Heathrow to Hyde Park Corner in central London is about £15. Taxis handle about 20 per cent of the passengers using the airport.

The feeder park's normal traffic

of 3,500 taxis a day had been reduced to 350 at most during the boycott, the drivers' association said yesterday.

Demand for cabs at peak times can reach 350 every half an hour.

The BAA said the feeder park, the drivers' canteen, toilets and administration cost it £500,000 a year. The levy would raise £500,000 towards costs.



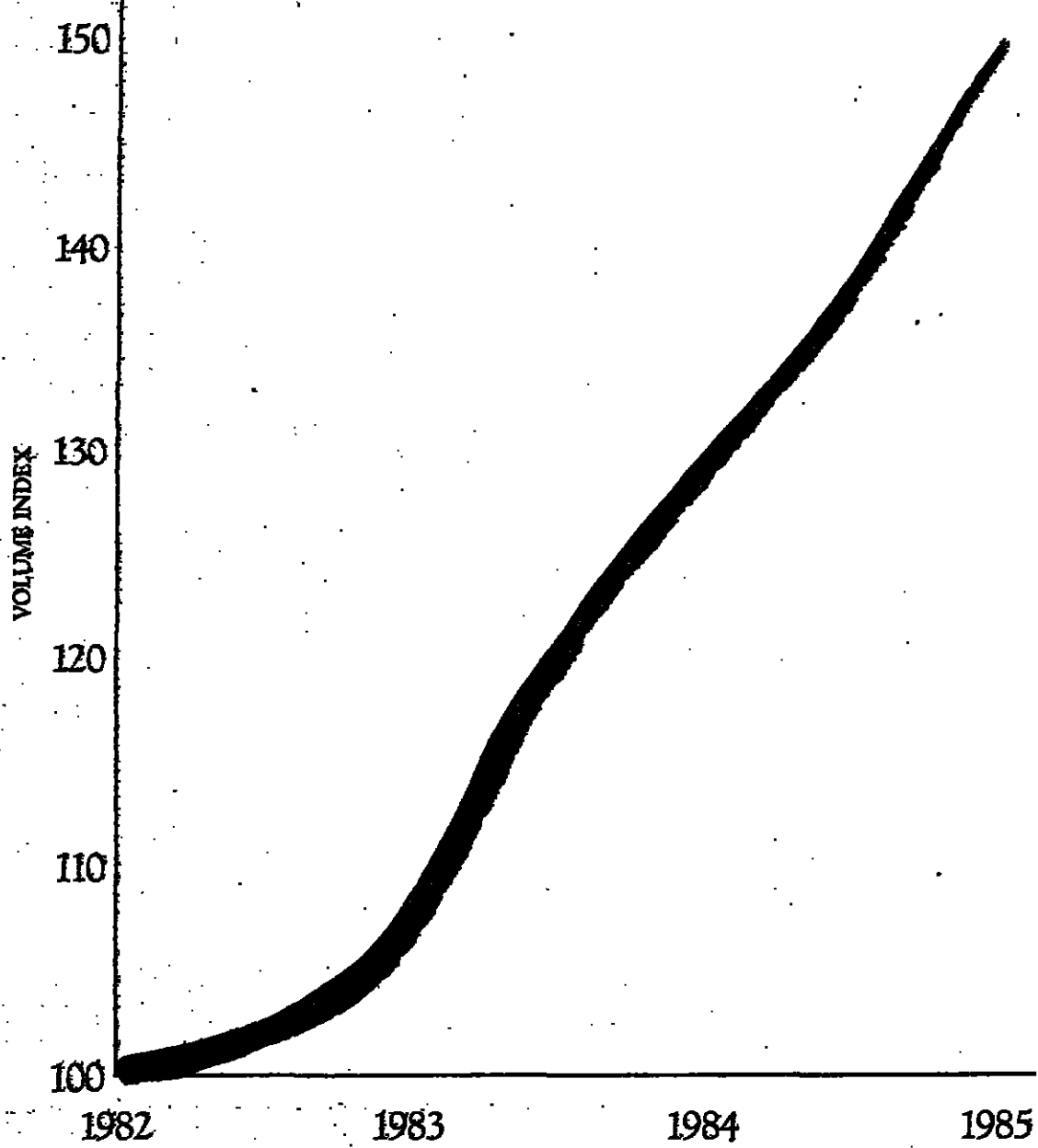
Providing new technology - all along the line.

Staying ahead in technology is how Plessey stays ahead as Britain's leading communications company. It's Plessey who is prime development contractor for System X, supplying over twenty exchanges each month to provide new high standards and services for more than a million British Telecom customers each year. It's Plessey who manufactures more digital telephone systems for business than any other British company. It's Plessey who supplies more fibre optic systems than any other British manufacturer. It's Plessey who in 1985 installed more computer-controlled road traffic systems in Britain than any other company. It's Plessey again who installed the whole of

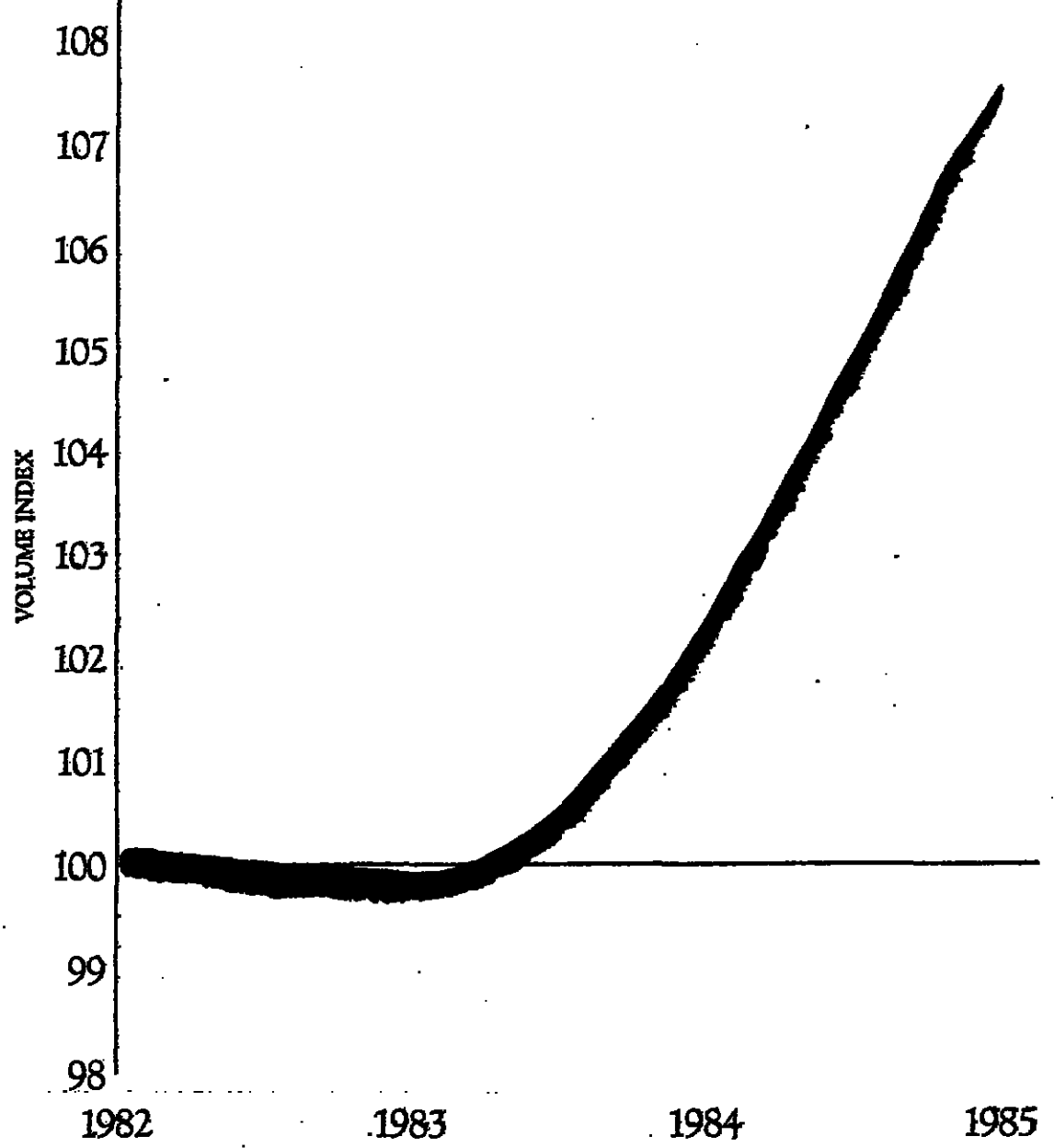
British Telecom's Packet SwitchStream network. And it's likely that Plessey made the phone in your home. Put all this technological leadership together and you see why customers turn to Plessey as the total communications company. Plessey likes to be involved - all along the line. Plessey Telecommunications & Office Systems Limited, Edge Lane, Liverpool L7 9NW.

PLESSEY
Technology is our business.

GUINNESS PLC
U.K. EXPORTS OF BEER AND LAGER



U.K. SALES OF DRAUGHT GUINNESS



SOURCE: GUINNESS SALES DATA.

TWO MORE STROKES OF GENIUS.

Guinness is on the up and up. At home, and abroad. With Distillers we'll have the scope to grow even more. More sales mean more jobs. And my goodness, that must be good for Britain.

GUINNESS PLC
Guinness and Distillers. A stroke of genius.

This advertisement is published by Morgan Grenfell & Co Limited and The British Linen Bank Limited on behalf of Guinness PLC. The Directors of Guinness PLC are the persons responsible for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of Guinness PLC accept responsibility accordingly.

THE ARTS

Galleries/William Packer

Beauty and the beasts

Dhruva Mistry is a young Indian artist who came to Britain on a British Council scholarship to the Royal College of Art. Now nearing 30, he is one of the most intriguing, talented and idiosyncratic sculptors of his generation.

pantheistic, quite as much the creatures of ancient Mediterranean and modern European alike, as of oriental imaginations. The naked woman, eternal Eve, tempts the androgynous, wistful sphinx in the wilderness: here are nymph and satyr, beauty and the beast, the artist's model and the tamed artist-minotaur of Picasso's drawings and engravings.



The second figure in Dhruva Mistry's "Regarding Guardian" sequence of sculptures

The upper galleries of the Arncliffe are occupied by an exhibition of German expressionist prints that has been organised by the Institute of Foreign Cultural Relations in Stuttgart and brought by the Goethe Institute in London (also until February 16).

Hickox/Barbican Hall

Richard Fairman

There are few works that demand from their interpreters such devotion as Elgar's *Concerto for Violin and Piano*. "What's a saint?" the devil's chorus asks. To which a lover of the work might well reply, "Any conductor—a Boult or a Barbirolli—who can bring to this work a properly unforced sense of dignity and inner feeling."

welcome tendency to pull back at important moments of the score and hammer them home. The visionary solo "Sanctus fortis" ended with a heavy display of trombones—not a good idea, especially on a night when the LSO's brass department was indulging in a variety of vulgar noises.

ment for many other tenors, was something I have not heard equalled. But as yet he makes little of the text; however, sentences of the words of *Contra Tenor* may be, the right interpreter can still use them with care and attention to build a powerful, moving effect.

Beckett trilogy/Riverside Studios

Michael Coveney

Billie Whitelaw is the preferred dramatic voice of Samuel Beckett these days, just as Patrick Magee and Jack MacGowan — among English-speaking interpreters — were the ideal agents for the writer's more Celtic and tormented periods.

ably in *Footfalls*. Pacing to and fro (nine steps exactly in each direction) in an illumed rectangle, May finds the cries and complaints of her ailing offspring mother. Fragments of remembered childhood, her mother's life, better furnished, obsess this tattered and bedraggled May, a hulk-like hag who is herself much older than her 40 years.

an even better reason for visiting Riverside this month is the modest but totally absorbing and enjoyable exhibition *Cospar Neher: Brecht's Designs*, full of colour and elegance, reveal Neher to be an artist of accomplishment and finesse.

Music Projects/Almeida

David Murray

In the "New Images of Sound" series, Richard Bernas's Music Projects/London ensemble appeared at the Almeida on Sunday with music that proceeded appealingly in no particular direction. Finally the idea that a piece of any size ought to move purposefully towards some definite goal, and arrive there unmistakably, strikes many modern composers as unnecessary maxims.

ported by long, shifting drones in the first movement, which fixes an unambiguous tonic as base, Seals's drones carry a considerable dramatic charge (thanks to overlaps and inner pulses), and as the piece continues to begin to shift microtonally, as if a powerful current were heaving between peaks and troughs.

Totally Foxed/Southampton

B. A. Young

Alasdair Fox, an ambitious salesman, wants to sell the Mark Six computer marketed by his boss, Sir Edward Corman, an American millionaire.

inspector, given a wildly excellent performance by Eric Richard, is easily deceived too; he begins to suspect that the female body on the bed has no pulse or heart beat and he never checks for himself.

SPNM/St John's, Smith Square

Richard Fairman

Only 65 minutes music, but this programme featured four premieres. Under the auspices of the Society for the Promotion of New Music four young composers took part in this concert on Friday night, each putting forward a short orchestral piece for its first performance, while long pauses for rearranging the platform made up the rest of the evening.

purely abstract way it exploits the stark, chamber-music textures of an orchestra split into four smaller groups. Its sound world, quite distinct from the others, was also helped by some brilliant cadenzas for piano—a welcome dash of showmanship. The others were more sombre.

Justin Greene and "Steve Cooke, the authors, have been set up a potential farcical situation, but they do not find enough to do with it. Dallas, anxious to test his humanoid computer, takes her to the races, then to his hotel suite; Lady Corman, being human not electronic, faints when he makes love to her, hangs her head and lies as it dead for almost all of Act II. Dallas supposes there is just a mechanical failure. His instruction book tells him to "remove the head," and when he has got a tool box from the hotel he takes a hack-saw to Lady Corman's neck. Luckily a policeman, conveniently summoned on another errand, sees him and sends for his Inspector Glossop.

Britten/Festival Hall

Max Loppert

St Nicolas, the cantata that Britten wrote for Lancing College in 1948 and opened the very first Aldeburgh Festival, was the largest work in Sunday's collaboration between the London Choral Society and the English Chamber Orchestra.

of taste that Britten's genius accomplished in this country was so thorough that it takes the reappearance of one of his less wholly satisfying works to remind one what an odd fish of a composer he could be.

Michael Thompson, had taken part in a workshop at the Cornerhouse, Manchester (February 28-April 6), the Graves Art Gallery Sheffield (April 12-May 18) and the City Museum and Art Gallery, Plymouth (May 31-July 5).

Painting saved

The National Gallery has saved a 14th century Italian panel painting, *The Vision of the Blessed Clare*. The painting was bought through Matthies Fine Art and is the gallery's first example of a 14th century Rhenish work.

Show of strength for Sadler's Wells

The threat of closure of the Sadler's Wells Theatre has prompted a ballet company associated with the Wells to hold a gala performance at the Royal Opera House, Covent Garden, next Sunday, February 9, to demonstrate their strength of feeling and affection for the theatre.

Royal Ballet, Ballet Rambert, London Contemporary Dance, London Festival Ballet, Michael Clark and Dancers, Royal Ballet School, English National Opera and artists from the current production at Sadler's Wells Theatre, *Charlie and the Chocolate Factory*.

Saleroom/Antony Thorncroft

An Atlantic appreciation

A pair of silver caudle cups, bought in the Tobello Room in London for £100, sold for £15,498 at Sotheby's New York saleroom over the weekend. They were of early American silver, made in Boston around 1700 by Myer Myers, for £27,017. It had long been used as a Rhode Island synagogue.

Cornelius Moore's collection of early American silver, valued at \$429,988, with 19 per cent dealer bought a covered sugar bowl, made in New York around 1770 by Myer Myers, for \$27,017. It had long been used as a Rhode Island synagogue.

The top price in the sale was the £192,982 paid for a New England dealer for a Chippendale mahogany chest of drawers made around 1785 at the Goddard-Townsend workshop at Newport, Rhode Island.

Both pieces were modelled by Benjamin and Edward Hodges Baily, with the cooler executed in 1821 by Philip Rudolph, and the platter in 1828 by William Bateman. When Hanover was overthrown in 1776 by Francis Manners, was hidden in the King's vaults by his servants and did not re-surface until 1824.

Arts Guide

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Jan 31-Feb 6

Opera and Ballet

LONDON

English National Opera, Coliseum: Jonathan Miller's curious "drama-in-the-library" production of the Magic Flute, first put on by Scottish Opera, is now taken on at the Coliseum, with only a single member of the original cast, Benjamin Luxon as a wonderfully warm, intelligent and funny Papageno.

NETHERLANDS

Ensemble, Schouwburg, Noon of the plant from the Shogun and Doran Dance Theatre (Tue), (11.12.2).

PARIS

La Traviata alternates with a Ballet Spectacle, *Un Jour on Deux*, in Merce Cunningham's choreography, and Washington Square in Rudolf Nureyev's choreography. Paris Opéra (9.42/5.750).

VIENNA

Staatsoper: Die Fledermaus with Ludwig Gruberova, Wally; The Sleeping Beauty with choreography by Nureyev, conducted by Heister. (5.34/26.55).

WEST GERMANY

Berlin, Deutsche Oper: Don Giovanni, conducted by Heinrich Hollreiser, has fine interpretations by Lucy Peacock, Lenos Carlson and Donald

Bujones as guest artist — an event of more than passing interest.

Grobe. Die lustigen Weiber von Windsor is a well done repertoire production. The cast includes Patricia Johnson, Gudrun Sieber, Norma Sharp and Gunther von Kanonen. Lucia di Lammermoor has Angela Denning in the title role.

Hamburg, Staatsoper: Il Trovatore is respectable with Rosalind Florright, Stefania Toczyska, Giorgio Zancanaro and Carlo Cosulich. This week's highlight is *Lohengrin*, starring Rene Kollo in the title role. Wozzeck has Karen Armstrong, Franz Grundheber and Kurt Mall in the leads. Also offered is Die Entführung aus dem Serail and Il Barbiere di Siviglia.

Moscow, Bolshoi: The week of contemporary opera starts with Werner Egk's *Peer Gynt*. It has Astrid Varnay, Cheryl Studer and Ekaterina Semakova in the main parts. Further offerings are *Lulu* and *Wozzeck*. The latter is worth a visit with Marjuna Lipovsek, Karl Ridderbosch and Gudrun Wesenow.

SPAIN

Barcelona: Lohengrin starring Siegfried Jerusalem, Pilar Lorengar, Franz Ferdinand Neuring, Eva Hendova conducted by Christof Perick. Gran Teatre del Liceu, Sant Pau 1. (Thur), (3.18/27.77).

Madrid: La Cenerentola with Agnes Balza. Production from Glyndebourne Festival Opera. Teatro de La Zarzuela, Jovelanos 4. (5.29/2.16).

NEW YORK

New York City Ballet (NY State Theatre): The repertoire of mixed programmes this week includes a world premiere with *Laurencia* on Third Avenue, A Midsummer Night's Dream and *Fancy Free*. Lincoln Center (5.10/5.770).

Metropolitan Opera (Opera House): The week features the premiere of Samson in the joint Covent Garden production by Elijah Moshinsky with costumes and sets by Timothy O'Brien, conducted by Julius Rudel with Leona Mitchell as Dalila and Jon Vickers in the title role. The week includes Romeo and Juliette with Catherine Malfitano and Neil Shicoff in the title roles, conducted by Sylvain Cambiagio, as well as Neeme Jarvi conducting the last seasonal performance of August Weverling's production of *Khovanshchina* with Natalia Rom as Emma, Florence Quivar as Maria and Wieslaw Ochman as Prince Golitsyn. Lincoln Center (5.62/6.000).

TOKYO

A Masked Ball: Fujiwara Opera Company, directed by Yasuhide Agui, conducted by Armando Gatto. Tokyo Bunka Kaikan (5.11/5.384/3.89/2.020).

Special Subscription HAND DELIVERY SERVICE of the FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER in SPAIN & PORTUGAL For details of how you can obtain your subscription copy of the Financial Times, personally hand-delivered to your office in the locations indicated, contact:— John Rolley Financial Times (Europe) Ltd Guilloletstrasse 54 6000 Frankfurt/Main 1 West Germany Tel: 75980 Telex: 416193

WORLD ECONOMIC INDICATORS every Monday—Only in the Financial Times



FOR A STRONGER SCOTCH JUST ADD GUINNESS.

Scotch whisky is one of our leading exports. Over 16,000 jobs depend on it.

Johnnie Walker & Co. must be made stronger if they are to win the fight for overseas sales.

There is opposition from the Far East, America and Canada. Each has its own thriving whisky brands. And powerful international corporations to market them.

Scotch whisky needs a similar champion. And our merger with Distillers would create one.

Time and time again Britain has failed to wake early enough to the challenge from overseas.

The alarm bells are now ringing on the world whisky market. Help us respond. Support the Guinness Distillers bid.

GUINNESS PLC

Guinness and Distillers. A stroke of genius.

This advertisement is published by Morgan Grenfell & Co Limited and The British Linen Bank Limited on behalf of Guinness PLC. The Directors of Guinness PLC are the persons responsible for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of Guinness PLC accept responsibility accordingly. SOURCE: Scotch Whisky Association.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF
Telegrams: Finantime, London FSA, Telex: 8954871
Telephone: 01-248 8000

Tuesday February 4 1986

If you can't beat them...

THE TRADE Secretary, Mr Paul Channon, had a relatively easy day yesterday in stating the Government's prevailing blessing for the purchase of British Leyland's truck and four-wheel-drive division by General Motors of the US. Leyland has a long if sometimes patchy history as a truck manufacturer, but was never even in its heyday a really major force in Europe. The GM approach has an element of mystery. The world's biggest motor manufacturer has neglected its European truck operations, and has recently found itself at a technical disadvantage in the US; it clearly feels that Leyland, which has recently invested heavily in new designs and production facilities, will be a source of strength. There are good reasons to hope that the development of both the Leyland and Land Rover businesses will benefit from commitment, financial security and GM's vast marketing power.

This is only the overture, though. The real drama will begin when the Government chooses to raise the curtain on its response to the talks now going on between Austin Rover and Ford, which is interested in buying the business, and Honda, its present partner, which would clearly rather continue with step-by-step cooperation. Even after an almost continuous decline in the three decades since the original British Motors merger, Austin Rover remains the largest manufacturer of cars in the UK. The company and its suppliers form the industrial heart of the West Midlands economy, and its future ownership is bound to arouse the strongest political passions. Prepare for storm music, with first-aid kits and full brass choir.

Independence

One section will undoubtedly call for the preservation of Austin Rover's independence, under British ownership, on nationalistic and "strategic" grounds. However, even apart from the Government's traditional reluctance to throw still more good money after bad, this is a strategy beset with the severest difficulties.

Austin Rover is in two senses a victim of its own success. Its management and cash shortages of the past have left it with a severely devalued reputation, and greatly reduced in size. Problems of reputation are not insuperable, as Renault and

Fiat have proved in their time; but the problems of a small-scale manufacturer in a market suffering from over-capacity are likely to prove much more obstinate. The specialists — the Volvos and BMWs — can prosper, but Austin Rover, which once dominated the UK market, is trying to develop in this direction from a very unfavourable starting point.

Its UK retail network, on which it is so heavily dependent, still demands a full model range, and AR is really too small a producer, even given the vastly improved efficiency of its new production facilities. It is the amortisation of development costs rather than economies of mass production which place it at a severe disadvantage. Co-operation with Honda offers a route to a new range of transformation; but its first fruit, the XX model, is still awaiting its launch in Europe. Meanwhile, its bread-and-butter products, even heavily discounted, are losing market share.

Capacity

The Ford approach appears at first sight to offer a much quicker and more certain route. Ford, after attempting a more ambitious merger with Fiat, is now basing its ambitions to invade the specialist market under its own label have led to repeated disappointment even when the products were right (and some of them were not). The Rover name, along with MG, might open the way to an approach like that of GM in the US market, developing distinct product lines with much shared technology.

There are two reasons, though, to feel some doubt about this rosy picture. First, a change of ownership might cool the discount war, which has made car manufacture in the UK so unrewarding; but it will do nothing to reduce European over-capacity, unless Fiat is prepared to expand its European base rapidly. Its ambitions to invade the specialist market under its own label have led to repeated disappointment even when the products were right (and some of them were not). The Rover name, along with MG, might open the way to an approach like that of GM in the US market, developing distinct product lines with much shared technology.

BT as national champion

EVERY British Government in recent years has been influenced by the so-called "national champions" argument. The UK, it is said, can succeed in international markets only through the creation of companies large and powerful enough to compete with Japanese and American giants. The promotion of national champions is often inconsistent with moves to encourage competition in British domestic markets which are small by world standards.

The Thatcher government, like its predecessors, has had to come to terms with this dilemma. Although it has in public laid great stress on the importance of fostering domestic competition, its actions suggest a good measure of sympathy with the national champions' argument. It has, for example, to understand why the Government was determined to privatise British Telecom in one piece unless one of its objectives was to create an information technology flagship capable of competing internationally with the likes of IBM and AT & T.

Ironically, one of Mr. Leon Brittan's last decisions as Trade and Industry Secretary underlined the extent to which the Government's ideal of competition has been undermined by the national champion argument. Mr Brittan gave BT the go-ahead to buy a controlling stake in Mitel, the Canadian telecommunications manufacturer. He overruled recommendations from the Monopolies and Mergers Commission that BT should be banned for three years from supplying Mitel equipment in the UK. Instead, a deal is being negotiated under which BT will be able to maintain its sales of Mitel equipment at the 1985 level.

If competition had been the only criterion, it would have been more logical to support the minority view on the Commission that the merger should not be allowed. The thrust of the body of the report is that BT's purchase of Mitel is likely significantly to reinforce its already dominant market position with adverse consequences for consumers, who may expect "reduced choice and higher prices."

Competition in both the manufacture and distribution of PBAXs (private branch exchanges) is likely to be seriously impaired through this vertical integration. Professor Bryan Cassberg, the director general of the telecommunications regulator Ofcom, was worried about the extent of BT's dominance even before the proposed Mitel acquisition. In 1984, BT's PBAX turnover was 10 times the size of the next largest supplier which had 6 per cent of the market compared with BT's 76 per cent.

A sacrifice of domestic competition might conceivably be worthwhile if the potential gains for BT as a player on the world stage were large enough. But this seems doubtful. BT is proposing to pay £150m for a financially troubled company that has now lost the technological lead which led to its spectacular performance in the 1970s. Without such an edge and without a US distribution and marketing presence, Mitel looks likely to perform poorly in US and world markets which are suffering from over-capacity.

Competition

It looks therefore as though the Trade and Industry Department has fallen between two stools. The Mitel decision may not contribute to the creation of a viable national champion yet it will almost certainly reduce competition in the domestic PBAX market. In the longer-term, as Professor Cassberg has hinted, the only way to guarantee domestic competition may be to require BT to set up a wholly separate subsidiary to sell one of its products. If not, this part of its business entirely.

The moral may be that in future the Government should be less willing to trade reduction in domestic competition for highly speculative advantages in world markets. This might be easier to achieve in practice if the DTI, which understandably retains broad industrial policy objectives, devolved more power to regulators of particular sectors such as Ofcom.

FIVE YEARS ON

Reagan shows his regal touch

By Reginald Dale, US Editor in Washington



The days since the shuttle disaster have seen Ronald Reagan at his best... one year into his second term, he continues to confound his critics, but he faces some tough decisions in the next few months

ON television the other evening, an elderly woman flashed briefly on to the screen to explain why she is such a fan of President Ronald Reagan. "He is an American and he's for America," she said simply.

The unidentified woman was chosen by CBS News as a symbol of the extraordinary strength of public support that its polls still show Mr Reagan enjoying, at least among white Americans, after five years in the White House.

When Mr Reagan steps to the podium of the House of Representatives to deliver his annual State of the Union address tonight, he will do so fortified by a degree of personal popularity unparalleled in the last half-century of US presidential politics.

Mr Reagan delayed the address rather than appear before the nation with an upbeat, optimistic portrayal of today's America just hours after the catastrophic explosion of the Challenger space shuttle.

In the days since the shuttle disaster which appears to have traumatised many Americans more than any event since the assassination of President John F. Kennedy more than 22 years ago, Mr Reagan has been at his best. His dignified expressions of emotion have hit the right note and fulfilled a national need.

At times like these, Mr Reagan seems to embody a certain kind of American-ness in the way that President Charles De Gaulle embodied Frenchness. If the national characteristics they reflect are markedly different, the instinctive feel for the pulse of the country is the same.

This is the regal side of Mr Reagan, the side best brought out by television, his natural medium. An American president in both a head of state and a head of government — monarch and a prime minister — and Mr Reagan has always concentrated on the former.

After the anguish of Vietnam and Watergate, and the self-doubt of the Carter era, it seemed to be what a majority of the country wanted.

Through most of Mr Reagan's five years in the White House, the US has enjoyed a period of unusual prosperity and political stability. Mr Reagan has made patriotism — and indeed wealth and conservatism — respectable again, and catered to the heavy aftermath of hard issues, such as poverty, homelessness and hunger.

The voters who re-elected Mr Reagan by a landslide in November 1984 did not want to return to the party-political posturing of Walter Mondale, the Democratic challenger, that all was not well with American society.

As he enters his sixth year in office, Mr Reagan enjoys personal approval ratings higher than those of President Dwight D. Eisenhower, or even President Franklin D. Roosevelt, at comparable stages

in their presidencies.

In some ways, Mr Reagan has been one of the most predictable of Presidents. His underlying convictions, his straightforward views of right and wrong, have not changed in 40 years and are unlikely ever to do so. Even if he no longer says so publicly, he still believes deep down that the Soviet Union is the "evil empire."

His conduct of his first five years in the White House has surprised many people both in the US and abroad.

When he defeated Mr Jimmy Carter, it was not unusual to hear liberal Americans say that they planned to leave the country for as long as he was in the White House. Most of them, of course, did no such thing. But Mr Reagan was widely regarded as a trigger-happy, right-wing ogre.

It has not turned out that way. In office, Mr Reagan, perhaps with the exception of the October 1983 invasion of Grenada, has in fact been remarkably un-trigger-happy. He has not invaded Nicaragua, blocked Cuba, or bombed Libya and Iran, as many liberals feared and some conservatives hoped. He has proved much more pragmatic and less ideological than his right-wing supporters in his domestic dealings with Congress and in foreign affairs.

He has tried to "Red" China and is trying to reach some kind of arms control accommodation with Moscow (half-hearted though those efforts

may seem to some of his critics. After a few sticky patches in his first term, most notably over the Soviet gas pipeline, his relations with the European Nato allies are now, on the whole, remarkably good.

In the US, it is the conservatives who have become nearly as upset as the liberals once were. In foreign policy, they are deeply disappointed that the administration has not been more muscular in supporting anti-Communist "freedom fighters" in Angola, Afghanistan and Nicaragua, and that it has failed to hit back decisively against terrorism. They fear a sell-out to Moscow on arms control.

In part, Mr Reagan's hand has been stayed by the sharply declining national tolerance for American casualties.

The ill-fated deployment of the US Marines to Beirut in 1983 was a mistake that is unlikely to be repeated. US military intervention, if it takes place at all, is now most likely to be conducted by long-range naval or aerial bombardment.

The rationalisation of this is the so-called "Reagan doctrine" of encouraging "freedom fighters" to risk their own — and not American — lives in the worldwide struggle against Communism. And despite the right-wing view that it has not gone far enough, Mr Reagan has been a realist that his policy is working.

Having ostentatiously "drawn the line" against Communism in El Salvador at the beginning of his first term, he can claim

that no countries have fallen to Communism during his term.

Domestically, Mr Reagan is often said by his critics to have presided over a rebirth of greedy, self-centred conservatism. But the latest New York Times/CBS News poll shows no evidence of this. Roughly the same proportion of Americans now consider themselves conservatives (36 per cent) as five years ago (37 per cent), while those considering themselves liberal have advanced from 16 to 21 per cent over the same period.

The polls also continue to confirm one of the salient characteristics of Mr Reagan's presidency: far more people approve of him personally than they do of any of his individual policies, economic, social or foreign. In a way, that is evidence of his success in detaching the "regal" from the "miserable" aspects of his presidency. It is certainly why his opponents have always found it so hard to get a grip on him.

Repeatedly, Mr Reagan has got away with things — the fiasco over his visit to the Elburg war cemetery earlier last year, for example — which would almost certainly have landed other presidents in much greater trouble. He constantly makes mistakes, sometimes quite elementary ones, in his public statements, and few people seem to care.

It is not uncommon now to find people blaming the media for saving Mr Reagan from embarrassment, giving him too

easy a ride. Even tried-in-the-wool Republicans have expressed puzzlement at why the press has not turned on Mr Reagan in the way that it did on all his immediate predecessors.

There is no easy explanation for this, but it seems likely that, because Mr Reagan represents the views and values of a vast number of Americans, the media would make itself even more unpopular than it already is if it tried to go for his regular. That is particularly so while prosperity lasts and there are no really serious scandals in the White House.

The Democrats are confident that this mid-term election year is the year that Mr Reagan will finally come unstuck. But they have thought that before and it has not happened.

The Republicans believe quite the opposite. Their soundings, they say, suggest that they can win the November congressional elections to become the country's dominant political party for the first time in more than 50 years — thanks largely to Mr Reagan's popularity and the growing conservatism of the voters.

But Mr Reagan will certainly continue to need his famous escapology techniques if he is to avoid some of the pitfalls along the way. His tax reform plan, which he has, perhaps unwisely, made the top legislative priority of his second term, has failed to catch fire around the country, despite strenuous campaigning, and awaits an uncertain fate in Congress.

In this election year, however, it is clear that ever that Mr Reagan has changed the terms of political debate. Republicans believe that the only way the Democrats can win is by spicing their policies, and there is plenty of evidence that this is happening.

There is little disagreement that the nation's defence needs to be rebuilt after the decline of the 1970s, and the role of government restrained. The Democrats, aware that their traditional New Deal coalition or trade union, women and minorities will not be enough to capture the White House in 1988, are looking for centrist "new ideas" of the sort first tried out by Senator Gary Hart of Colorado in the 1984 presidential election campaign.

Republicans and Democrats alike are jockeying for position in the post-Reagan era. But the leadership of that era will depend heavily on what sort of legacy Mr Reagan leaves — whether those bidding to succeed him calculate that they should steal his clothes or discard them.

In the end, it will probably be economics that makes or breaks the Reagan magic. Polls which show so much approval for him now also show that the biggest single reason is the prosperity of the last three years. It is typical of Mr Reagan's Irish luck that falling oil prices and a declining dollar may now extend that prosperity further than he had any right to expect.

Moussa's six commandments

Pierre Moussa, the French investment banker ejected from the chairmanship of Paribas in October 1981 at the height of a political storm over the socialist government's nationalisation moves, yesterday made his comeback in Paris.

In a front-page article in Le Monde, Moussa underlined the transformation in the French political landscape in the last few years by making a powerful plea for domestic competition in the banking and insurance sectors.

In Moussa's article, in which he set out six commandments for returning banks and industrial groups to the private sector, would have been dynamite in the heavily nationalised world of the socialist's nationalisation programme in 1982.

These days, however — when socialist-appointed nationalised industry chairmen are readily proclaiming their wish to go private — his prescriptions sound almost routine.

Moussa was the central figure in a long-running trial of Paribas personnel and clients over exchange control irregularities which ended with his acquittal two years ago.

No doubt referring to the government's fury back in 1981

Men and Matters

over his successful efforts to free part of Paribas' foreign assets from state takeover, Moussa yesterday asked quizzically, "Why so much passion four years ago?"

Moussa, since 1984 the chairman of the London-based arm of the New York investment bank Dillon Read, will certainly be making his voice heard further in Paris after the expected return of a right-wing government in the March general elections.

He pleads in his article that a significant "core" of the capital of newly demagogued companies should be held by "solid" outside groups.

Moussa no doubt expects to use his investment banking expertise to come up with the right candidates.

Official freeze

London estate agent Richard Meacock, aged 46, who has a home on Guernsey, is trying to persuade the authorities to allow a 24-acre granite quarry on the island to be roofed over and turned into an ice sports stadium.

World championships could be staged there, he says, and if the island's government doesn't want to take on the project there are venture capital backers ready to put up the £4m needed.

Meacock who claims to have spent £20,000 so far on plans and feasibility studies, recently brought over a party of experts to see the proposed site, including the ice skating star Robin Cousins, and Michael Williams, director of Oxford's new civic ice rink.

Everyone has reacted favourably to the project, he says — except the Guernsey authorities who have earmarked the quarry for the mundane purpose of refuse disposal.

The island's recreation committee has described Meacock's scheme as "sheer nonsense"

Day to remember

The City accountancy firm Buzacott decided it should guide its private clients into the post-Big Bang world. But first it had to find out when it was due to go off.

Cazenove said it was some time in October — but the speaker was not sure quite when. The same answer came from Springleur Vickers Da Costa. Precise information seemed to be in short supply.

Robert Vincent, a Buzacott partner, reasoned that Big Bang must go off all at once if it was to avoid being merely a Big Smoulder. So he rang the Stock Exchange.

The information department of the exchange was certain that it would occur on October 27.

The Securities and Investments Board, where I double-checked, refused to be so precise. "It's sometimes in October, we think."

October 27 is the assigned detonation day. But it is remarkable how few calendars in the City have the date ringed.

MONEY TALKS

1986 promises to be a year of radical change within the entire financial services community. For the investor, keeping pace with developments is vital.

That's why on February 25, 26 and 27, prior to the Budget and financial year end, the Barbican Centre opens its doors for Money & Investment '86. A comprehensive financial services exhibition and series of seminars designed to give up to the minute advice to both personal and corporate sectors. Advice on Tax Planning, Mortgages, Assurance, Unit Trusts, Pensions, Capital Transfer Tax, Stocks & Shares, Insurance and much more. In fact everything that makes your money work better for you.

Money & Investment '86 has attracted exhibitors from the most respected financial institutions and the series of FREE seminars given by leading financial experts covers a wide range of subjects including tax saving advantages for small companies, CTF, investment in the Stock Exchange and Unit Trusts, Enterprise Zone investment, and many more.

Never before has a financial event filled so many needs and offered so many opportunities.

Exhibition tickets are £3.00 on the door, but if you fill in the coupon below and send it together with a stamped addressed envelope we will return your tickets for half the normal price.

MONEY & INVESTMENT '86

Five Old Queen Street London SW1H 9JA

Money & Investment '86, The Barbican Centre's Red Hall, Open Feb 25 & 26 10am - 7pm, Feb 27 10am - 4pm.

Please send me _____ price tickets (payable on entrance)

I would like more information on the various seminars.

Name _____

Position _____

Company _____

Address _____

_____ Tel. No. _____

Money & Investment '86, Five Old Queen Street London SW1H 9JA. The financial services exhibition and seminars will be held at the Barbican Centre.

LEYLAND VEHICLES

"I hope the Americans aren't expecting immediate delivery"

Observer

Letters to the Editor

The current UK deficit in manufactured trade

From Mr. P. Seabright
Sir—Geoffrey Maynard is right to remind us (January 29) that there is nothing intrinsically disturbing about the current UK deficit in manufactured trade...

Professor Maynard believes that "the UK's real exchange rate will have to fall" for manufacturing to contribute to closing the UK's payments gap as oil production falls...

Battle to get more out of science

"I SUPPOSE you could say we've been used to doing what we wanted to do," a British academic scientist remarked the other day. We were engaged in the dominant topic of discussion among scientists—the alleged falling health of British science...

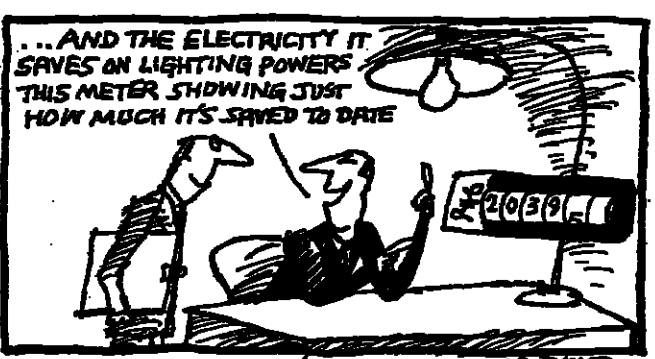


Prof Alan Leadbetter with a neutron spectrometer at the Rutherford Appleton laboratory

But research funding bodies are beginning to see opportunities for a dramatic impact on a nationally important problem by bringing quite disparate disciplines together...

Civil servants' integrity

From the Chairman, Department of Trade and Industry, Council of Civil Service Unions
Sir—I was very interested to read Justinian's account of the leak of the Solicitor-General's letter concerning the Westland affair...



Where £525m could be saved

From the President, Institution of Lighting Engineers
Sir—May I suggest that "Getting more for your money" (January 28), left out an important part of the story...

Time to phase out the MFA

From the Managing Director, Central Confederation of the Textile Industry of Germany
Sir—The article "Time to phase out the MFA" (January 30) prompts me to add a few comments on the MFA...

Money GDP targeting

From Mr. M. Weale
Sir—I have followed with interest the City view on money GDP targeting (BHI Martin, January 22) and its academic criticisms...

Enforcement of collective agreements

From Mr. J. Kennedy
Sir—I as an "uncommon" lawyer offer a comment on David Thomas's article "Hazards of a binding agreement" (January 24)...

deciding that it was not really possible to know precisely the amount of lost production attributable to Galley's absence. The Board was quite amicable in the pursuit of its claim...

The big commitment, moreover, was not underpinning present economic objectives. The big atom-smashers had nothing to do with the goals of the nuclear power industry...

Advertisement for Telford Development Corporation featuring various business cards for companies like Unimation, Nikon, Ricoh, Tatum (U.K.) Ltd, and Maxell. The ad asks 'WHAT'S ON THE CARDS FOR YOUR COMPANY?' and lists benefits like 'Work in Telford doesn't have to live anywhere else'.

FINANCIAL TIMES SURVEY

Contractors and housebuilders have become tougher and more imaginative in the hunt for growth and new markets

UK Building Industry

Radical change of approach

By JOAN GRAY, Construction Correspondent

A RADICAL change has swept Britain's building industry. The change has affected not so much the industry's technology as its marketing, its approach to clients, and its approach to finding funds.

The industry has had to bite the bullet and get down to performing, said Mr Ray Mott, managing director of Fairclough.

Jobs that used to take two years now take one-and-a-quarter. Companies are having to stick to delivery dates, and delay is no longer something we accept as inevitable.

The change is linked to the pattern of workloads in the industry. Its flat performance overall hides three strong growth areas: industrial building, commercial building, and building private houses.

This growth in private sector workloads has been coupled with a steady long-term decline in the sectors depending on government spending: civil engineering and public housing.

As a result, there is far more competition for private sector contracts. Civil engineering companies have started competing to build offices, shops and factories to make up for the shortfall in their more usual public sector work.

"We're finding increased competition from contractors we never used to run across in office building, because of the declining number of civil engineering contracts," said Mr Ian Ruppert, marketing director of Trafalgar House subsidiary Trollope and Colls, which is

carrying out Norwich Union's £28.5m office redevelopment scheme at London's Fenchurch Street Station.

"One result of the increased competition is that contractors' profit margins are squeezed."

Another—which he welcomes—is that "we are also finding an increase in two-stage tendering. There is first a competitive tender list and then the final contractor is selected by interview, as the client wants to make sure he is getting the service he wants and not just the lowest price."

The decline in public sector work has not only meant that there is more competition for the work that is available, but also that clients have become increasingly demanding and increasingly strict in how they select their contractors.

The trend is typified by French Kier, which was recently taken over by C. E. Beazer. The shift in the company's work to a new emphasis on building helped fuel a 15 per cent growth in 1984, with profits rising from £14.3m to £16.5m and turnover up from £285.3m to £326.6m.

"We are known as a civil engineering company, but have had to change our business emphasis over the last two years to concentrate on building, as the amount of heavy civil engineering work in the UK has diminished," said Mr Richard Allen, French Kier Construction's managing director.

This shift—largely because of the cuts in public spending—has also meant big changes in the way the company works.



"As we get more private sector clients we get more emphasis on being able to provide a service," Mr Allen said.

"They want to be assured they will get their building on time to know exactly what staff will be on the contract, and to make sure they have the right blend of experience and that there will be no conflicts of personalities."

The new pattern of work is likely to persist. Although the steep growth in industrial building is expected to slow in 1986 with the phasing out of capital allowances, growth prospects for commercial building—shops, offices and hotels—remain favourable.

Private housebuilding is also expected to remain one of the most lucrative niches in the business—hence contractors' enthusiasm for expanding in the sector.

Housebuilders in the past have had an advantage over contractors because they have been responsible for creating their own workloads and markets.

And despite some problems, such as a shortage of suitable sites in the South-East and declining purchasing power of the first-time buyers who fuelled growth in the early 1980s—the house builders have managed to maintain healthy profits.

Instead of building cheap starter homes, they have turned to building larger, more expensive—and more profitable—houses for second-time buyers.

They have also started developing new markets by building different types of housing aimed at different market sectors.

A favourite growth sector is housing for the elderly, ranging from luxury flats at marinas on the coast to nursing homes.

And with the decline in public sector work, the tendency is for contractors to be have more like entrepreneurial housebuilders and become increasingly involved in finding funds for projects and helping

to develop their own markets. They have also had to move away from the old, almost adversarial relationships with clients.

The old pattern was that a builder would aim to get a job by quoting the lowest price and then hope to make up his money afterwards by negotiating on extras concerning details of the contract or the work or the conditions. All that has changed.

Builders have had to evolve new forms of contract and new ways of working with clients to make sure that they get the building they want, on time and within budget.

These new ways of working go under a variety of labels such as management contracting, management fee, or design and build. But they are all aimed at solving the same basic problem, that the traditional British approach to contracting gave the client poor service.

"The new forms of contract are geared to overcome the problem with traditional contracting, which was that no one person was responsible for the whole building with all the delays and conflicts that produced," said Mr Richard Hayden, divisional director of G. E. Wallis.

This company achieved a 24 per cent growth in operating profit to £1.22m in 1984, working on contracts ranging from restoring the ceiling in the House of Lords to building a new restaurant for Pizza Hut and refurbishing offices for IBM.

"We have had to adopt new types of contract and new ways of working if we build for customers such as IBM, having to work with the architects to draw up performance specifications and to short-circuit and integrate the whole system."

The importance of clients' demands in getting the standard of building they want was clearly shown in a study by the National Economic Development Office.

"We found that inexperienced customers almost invariably got a poor performance in the sense of getting their buildings slowest," said Mr Christopher Groom, secretary of Nedo's building and civil engineering committee.

"Customers invariably had to put a bigger management input into building than they had expected, and the more management effort they put in the better results they got."

Nedo's work also "scotched" the commonly held belief that faster building meant poorer quality.

are in growth industries, including high street companies such as Tesco and Sainsbury, insurance and property companies.

Another growth area for the industry has been refurbishing older buildings, particularly in the City of London, where great emphasis is now placed on conservation. Refurbishment can involve rebuilding completely anew behind a Victorian or older facade.

Builders have also been getting an increasing amount of work through urban development programmes, a sector the Government is keen to see expand.

The industry is also getting more involved in funding projects to help create contracts.

"The industry has got to break out of its straitjacket and change its attitudes in a new world," says Mr Norman Wakefield, chairman of Y. J. Lovell, which reported that 1984 was its 10th year of growth, with profits up 41 per cent to £6.2m.

Urban redevelopment is an area to which Mr Wakefield is particularly committed. "The jewel in our crown is our partnership housing," he says.

This involves local authorities providing land at a discounted price in exchange for control over the development. The authority will usually specify a mix of houses—some for sale, some rented, and some available for people on its housing list.

Lovell built 1,000 partnership homes last year and is planning 1,500 this year.

Lovell has also adopted a fresh approach to commercial development.

"We have got to get on the same side as the client," Mr Wakefield says. His approach is to share the risks and rewards of development "as this creates a real meeting of minds."

"This new approach has allowed us to show consistent growth while our public sector workload has dropped from 45 per cent to 5 per cent."

He also chooses clients who

"History is bunk" said Henry Ford. "Old age a regret" stated Disraeli.

Celebrating its Bicentenary, Lovell would tend to disagree. Not that we see our two hundred year history as important in itself.

Rather that our deeper roots provide the strengths to meet the fierce challenge of a rapidly changing society.

For building touches almost every aspect of our lives and today the Lovell Group is shaping homes, factories, hospitals, schools, offices, hotels, superstores and leisure facilities.

Wherever we build, we bring to the site not only all the traditional historic crafts and skills, but a fresh and total commitment to innovation.

The Equitable Life Assurance Society headquarters at Aylesbury is perhaps an outstanding example of the fusion of tradition and technology. Its degree of difference reflects the nature of Lovell today. Proud of the past, yet enthusiastic for change. If we have a boast it is simply that we're busy building the future on the past.

If you would like a copy of our 36 page commemorative brochure we would be pleased to send it on request.

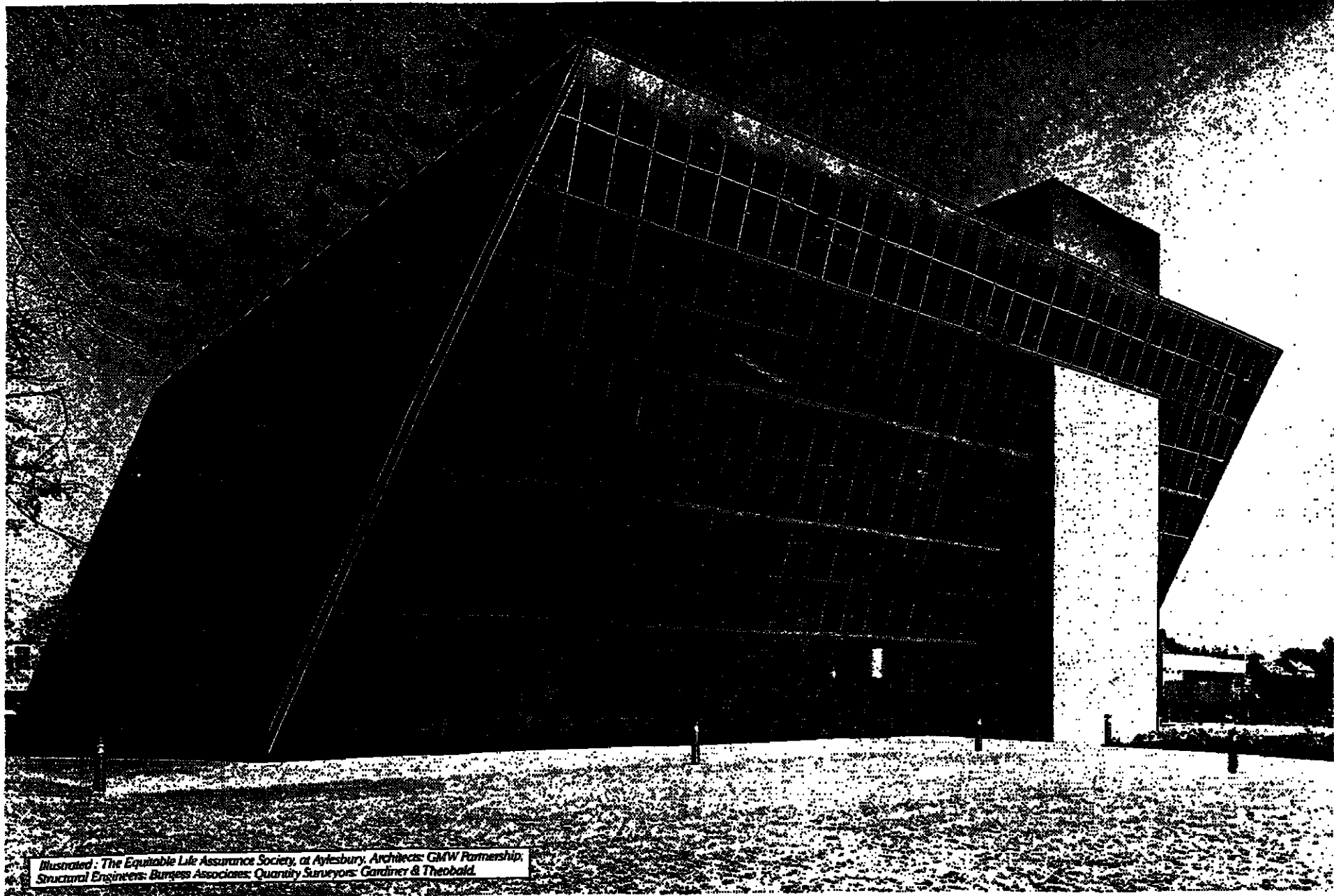
Two centuries strong and building.



Two centuries strong and building.

Y. J. LOVELL (HOLDINGS) PLC, MARSHAM HOUSE, GERRARDS CROSS, BUCKS SL9 8ER TELEPHONE: (0753) 882311 TELEX: 848932.

"Before we start our third century gentlemen, let's get something straight."



Illustrated: The Equitable Life Assurance Society, at Aylesbury. Architects: GJM Partnership. Structural Engineers: Burgess Associates; Quantity Surveyors: Gardiner & Theobald.

UK Building Industry 2

Sophisticated move up market

Housebuilders
JOAN GRAY

HOUSEBUILDERS have become more sophisticated in their marketing and more aware that they must meet clients' demands. The volume builders are also moving up-market and are trying to appeal to affluent second-time buyers.

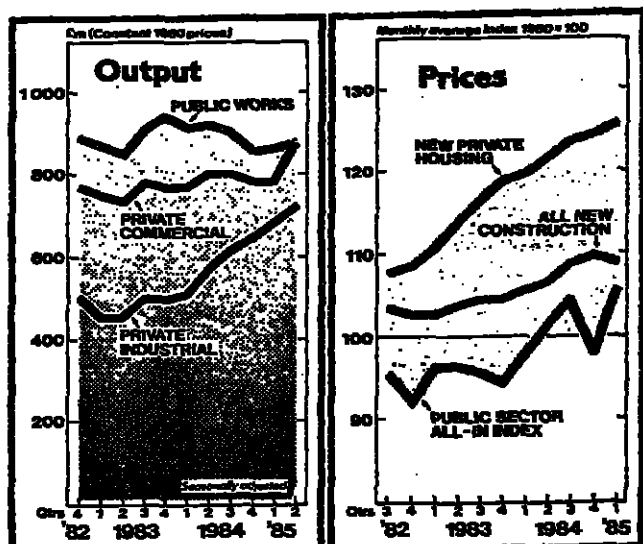
"The most important development in the housebuilding industry has been the decision to switch from building for first-time buyers to building trade-up houses," said Mr Roger Humber, director of the Housebuilders Federation.

"The starter-home market has diminished and now builders have got to persuade people to move house and to make a discretionary purchase, trading up their home as they would trade up their car or washing machine."

The trend up-market is being led by Britain's largest builders. Barratt, which now has an output of 10,000 houses a year, led the way in selling to first-time buyers but has reduced its output of starter homes from a peak of 75 per cent to between 50 and 55 per cent, and is planning to cut it to only 30 per cent.

Wimpey, which runs Barratt's neck and neck for the title of Britain's biggest housebuilder, with an output of 10,200 houses predicted for 1986, is cutting the proportion of starter homes from between 70 and 75 per cent to 60 per cent. Tarmac, Britain's third-largest housebuilder, is cutting its starter-home production from 60 per cent to 50 per cent.

The roots of this change lie in the diminishing power of first-time buyers to afford a new house. This has happened partly because of high unemployment, reducing spending power among young people, and partly because new



UK HOUSEBUILDERS

(Estimated completions 1985)	1985
Barratt	10,000
George Wimpey	9,500
Tarmac	8,000
C. H. Beazer	7,500
Trafalgar House	6,000
Broseley	5,500
Bevis	5,000
Y. J. Lovell	4,500
John Laing	4,000
Christian Salvesen	3,500
Wilson Connolly	3,000
Bryant	2,500
Bellway	2,000
Chelva	1,500
Westbury	1,000
Alfred McAlpine	950
SNW	1,177
McCarthy and Stone	1,100
Cresidac	800
Ferriandina	800
Top Twenty	61,900
All completions (1985)	150

houses are far more expensive than second-hand ones.

According to the House Builders Federation, the gap between the price of an average new house and an average second-hand house is £4,000, taking average prices of £87,500 and £83,500 respectively. The Nationwide Building Society has also reported a widening gap between the price of old and new houses. In 1985, the average price of a new house rose by 15 per cent, compared to an average increase of 10 per cent in the price of second-hand houses.

The biggest cause of the gap between the price of a new and second-hand house is the price of land, which in the South-east accounts for around 40 per cent of the cost of a house.

This has made builders move up-market and concentrate on building for more affluent second-time buyers.

The economic advantages of this are spelled out by Sir Lawrence Barratt, who now plans to see his company's growth and profits coming from building for

the richer buyer.

The number of houses Barratt built fell from a peak of 16,000 in 1983 to 10,000 last year largely because of World in Action television programmes criticising first the method of timber-frame building he then favoured and then the resale prospects of starter homes.

But now his sales volume has fallen, Sir Lawrence has no plans for trying to increase the number of houses he builds.

He has launched a new collection of houses aimed at more affluent buyers, and the company's growth and profits in future will come from these, says Sir Lawrence. (The fact that it is called the Premier collection and Mrs Thatcher has bought one is entirely coincidental, he adds).

Selling fewer higher priced houses gives the company the benefit of reduced overheads. It now operates with 4,250 full-time staff compared with 5,500, and has saved £1m on administrative costs. The company also benefits

from the higher margins on higher priced houses. The average price of a Barratt house has already risen from £29,000 to £31,000. Sir Lawrence expects it to rise again to £36,000 this year in Britain as a whole and to between £30,000 and £70,000 in the South-east.

And whereas the margin on a smaller house averages 10 to 11 per cent profit in a good year, the margins on more up-market houses are 12.5 per cent or more," he explained.

Barratt's Brompton Park development in London's Earl's Court, is an example of the new Barratt economics. Built in the grounds of an old hospital—for which Barratt paid £5.5m (or £20,000 per acre of developable land), Brompton Park is a development of 317 luxurious apartments. It includes a communal leisure and fitness centre with swimming pool, sauna, solarium and gym. At prices ranging from £47,000 for a bedsit to £170,500 for a large luxury flat Brompton Park has clocked up sales worth more than £20m.

IF EVERYONE WAS AVERAGE WE'D BUILD AN AVERAGE HOME.



You read a lot about the average family. But in reality there's no such thing. Everyone and every family is different. We all have our likes, dislikes and aspirations. That's why Barratt have launched their new Premier Collection. A new generation of homes with over 50 different house styles that are as individual as today's home buyers.

THE PREMIER COLLECTION

Not only are there are 50 house types within 6 price ranges but each type is available in different exterior styles.

From single people, to families, to retired couples — the Premier Collection comprises a choice of homes to suit every taste and every pocket. All offering new standards in living space, specification & style.

QUALITY OF DESIGN

Throughout the range Barratt has taken the best features of traditional architecture and blended it with modern tastes and techniques to give greater visual appeal.

Great attention has been



According to Government statistics the average family consists of Mum, Dad and 1.9 children.

paid to each individual detail. And every development makes careful use of material specially selected to harmonise with the existing environment.

QUALITY OF SPECIFICATION

Because Barratt recognise that today's purchaser is far more discerning than ever before, literally hundreds of new ideas, modifications and improvements have been incorporated throughout the Premier Collection.

The latest highly efficient thermal insulation. The most modern water and space heating systems.

Specialist designed fully fitted kitchens. And features with both style and charm — such as open fireplaces, wrought-iron spiral staircases, terrace and barbecue areas.

In fact, just the sort of thoughtful attention to detail you would expect from Britain's largest builder of private houses.

The company who, during 1984, won more awards for quality than any other builder in Britain and the U.S.A. As you can see, for Barratt, the average simply isn't good enough.



A NEW GENERATION OF HOMES WITH MORE SPACE, MORE STYLE, MORE FEATURES

Barratt

Deep concern over scarcity

Land supply
JOAN GRAY

STAND NEXT to almost any housebuilder, anywhere, and he will start to tell you about the Land Problem.

For the housebuilders are getting desperately worried about what they see as a shortage of building land and the high prices they have to pay, particularly in south-east England.

It is this deep concern about the availability of building land in the South-east which has led to the bitterly controversial proposal from Conservatism Development, a group of Britain's biggest housebuilders, to build a town for 14,000 people on green belt land at Tillingham Hall on the fringes of London.

Builders tend to babble of green fields because of a deep fear that they may end up vulnerable and priced out of too much of the housing market. For high land prices mean high house prices.

Although builders are doing very nicely in the short term because they are able to solve the problem of expensive land by passing the cost on in profitable luxury homes for trade-up buyers, they are worried that this leaves them at the mercy of a largely discretionary market which can simply choose to stop buying if prices get too high.

"We are now buying not less than 40 per cent of the price of a house in the South-east in the ground, and that gives us no choice but to build high-priced houses," said Mr Terry Fowler, managing director of Planning and secretary of the Volume Housebuilders Study Group, which represents Britain's biggest builders.

"Land should be between 20 and 25 per cent of the price of a new house and then we could give buyers a better value for money and build new houses for a wider section of the market," he says.

The builders quote with horror record prices for housing land of £600,000 an acre in Amersham, Buckinghamshire, and £500,000 in the rest of the county. They estimate that land in the South-east now costs an average of between £18,000 and £20,000 a plot, and say that this makes it impossible to build cheap houses.

The high price of land is a big factor in the spiralling prices of houses in the South-east. It contributes to the great divide between the north and south which makes it so hard for people to move south to find work. House prices in South-east England have been rising at more than twice the rate of those in the north.

According to the Anglia Building Society, house prices in London and the South-east rose by between 15 per cent and 22 per cent in 1985, compared with an average of 5.4 per cent in the North. The main cause of high rises in house prices in the South-

east is a combination of high demand and shortage of supply.

The nub of the problem of land supply in the South is that it is the area where people most want to live, but also the area where there is a shortage of building land available for development and some of the greatest restraints on building.

The builders blame land shortage in the South-east on the expansion of the green belts designed to protect the countryside from development. They blame the Government for what they see as an inability to resist pressure from its conservationist supporters.

The conservationists, on the other hand, say that builders could find enough sites in the cities and on derelict land.

The Department of the Environment has details of more than 120,000 acres of derelict land in public ownership, much of it in towns, which it says could be used for house building. But the builders reply that if there really was suitable land available in cities and on sites where people would want to live they would be delighted to build on it.

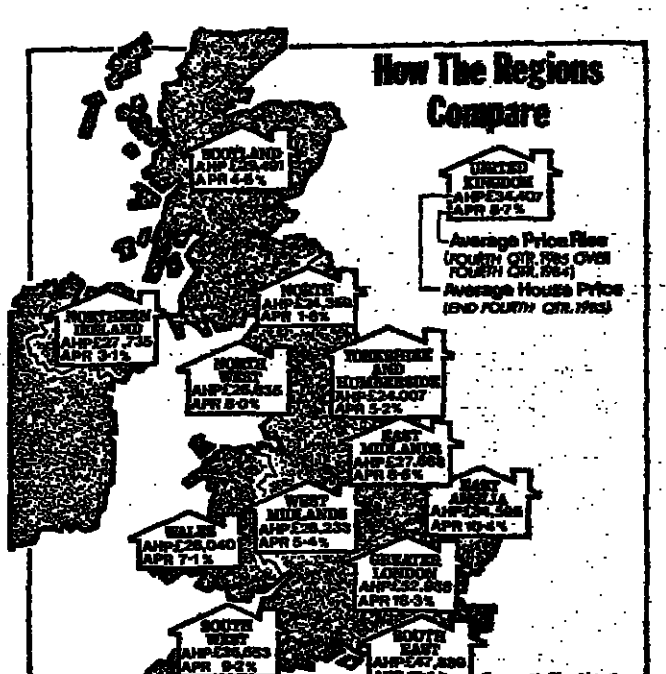
The problem is complicated by a lack of hard figures. The Government has refused to set guidelines about the number of houses which need to be provided.

Nor can the planners or statisticians reach agreement on the number of houses needed — all less on where the land to build them on will come from.

Meanwhile, the builders accuse the Government of quoting the Housebuilders Federation president Mr Graham Eye of "speaking over a banana republic inflation in land prices."

The whole matter is left open to intense and emotional lobbying and debate. It is one of the most knotty issues the ministers at the Department of the Environment have to tackle and at the very end of last year the Secretary of State for the Environment, Mr Kenneth Baker, seemed to come firmly down on the side of the "green" lobby.

Speaking to the assembled members of the Housebuilders Federation, he dashed their hopes for more land with a warning that their attempts to get land released for building in the countryside only encouraged resistance. They should turn to small in-fill sites and to the inner cities, he said.



House prices can indicate rising land costs

THE ASSOCIATION OF CONSULTING ENGINEERS

LOOK FOR THE LOGO

Members of this Association are highly qualified professional Engineers who are independent of any commercial, manufacturing or contracting interest.

They offer to clients contemplating building projects a comprehensive service which begins with an evaluation of requirements and an investigation into feasibility, both engineering and economic, continues with the preparation of detailed plans design and specifications and proceeds to the selection of contractors and the supervision of construction.

For further information contact:
The Secretary,
The Association of Consulting Engineers,
Alliance House, 12 Carlton Street,
Westminster, London SW1H 0QL
Tel: 01-222 4557
Telex: 245871 MONREFG (quoting Ref 83ACEN01)

O'SHEA

DESIGN AND BUILD INTERIORS

- Early commencement on site
- Night and weekend working
- Undivided responsibility
- Comprehensive cost control
- Great attention to detail
- John McManus 01-451-4747

Shand

Committed to Construction

Shand Ltd.
Shand House, Matlock, Derbyshire DE4 3AF.
Tel: (0629) 734441 Telex: 377067 SHANI-HO G Fax: (0629) 734330

TROLLOPE & COLLS

We point the way.

With a record of achievement built over 200 years you'll almost certainly have heard the name Trollope & Colls. You may not be so familiar with the range of our skills. In addition to having an outstanding reputation as builders in the public, commercial and industrial sectors, we also offer proven capability in Management Contracting, Project Management and Design and Build contracts.

We have, too, unrivalled expertise in the refurbishment of old buildings as well as in the fitting-out of the new. The planning and installation of dealers' rooms, and contracts involving the business of information technology, generally feature prominently in our current programme of work.

Whatever your project, head for Trollope & Colls and you can be sure you are going in the right direction.

TROLLOPE & COLLS LIMITED, TROCOLL HOUSE, 25 CHRISTOPHER STREET, LONDON EC2A 2BR. TEL: 01-277-2500.
A MEMBER OF THE TRAPALGAR HOUSE GROUP

Scramble for slice of a lucrative sector

Housing the Elderly

JOAN GRAY

SELLING housing for the elderly has become a sophisticated business. It is no longer regarded as a single homogeneous market, but a string of separate businesses which the builders hope will be worth far more by the end of the decade than the £400m conservatively predicted.

From talking simply about building private sheltered housing—small apartments with communal facilities and a warden on call—the builders are now dividing the market into first-time retirement, second retirement, luxury retirement, active retirement, tertiary retirement and even frail retirement and the provision of nursing homes.

There are more than 100 companies building housing for sale to the elderly. They include large organisations (such as McAlpine, Water, Ideal, Laine, Wimpey and Barratt) and small local companies. McCarthy and Stone, which built the first private sheltered apartment in 1977, is now the market leader.

They are competing for what they hope will be an enormous market. According to Mr Malcolm Parry, of the University of Surrey, who has specialised in research on housing for the elderly: "We are predicting a total market of between 250,000 and 400,000 units by the end of the century."

"This would need a development rate of 15,000 units a year to satisfy the demand and we are nowhere near that."

Britain's ageing population makes building for the elderly an almost automatic growing market, as well as being a highly lucrative one.

"Building for the elderly is very profitable," said Mr Parry. "Unlike first-time buyers, they have already got a valuable asset to trade in—their own house. They also do not need a mortgage, and because they do not need so many car-parking spaces you can build at greater density."

But he warns that building for the elderly is a difficult market and you have to get it just right. "Builders will make some 3,000 small sheltered

mistakes by building in the wrong place, and there is now fierce competition for suitable plots," he says.

The competition for suitable, pleasant sites on flat ground and near shops and public transport has forced prices up. Spexhaw's newly-established retirement housing company, Osprey, probably holds the record, having paid £1.09m for the site of its first block of 38 luxury apartments for "gracious retirement" in London's affluent Golders Green.

"We identified a tremendous gap right at the top of the market," said Ms Julie Macey, general manager of Osprey management company, which plans to build 500 luxury retirement homes a year by 1988.

Golders Green is its first development. The resident house secretary has instructions from Osprey to run the block like a London club, and will book theatre tickets as well as give medical advice.

The block has a communal lounge with bar, bridge table, and a small room which can be used for therapy or hairdressing.

Serviced

Osprey has already started work on its next block, in Newquay, Cornwall. It is also planning a development in Marlborough, where it will build a group of retirement cottages complete with a pottery workshop for the residents.

Osprey is not alone in deciding to go for the top of the market. Both Barratt and Wimpey have also decided to build for the richer retired.

According to Mr Peter Marmot, of Sheltered Housing Services, the first national estate agency to specialise in retirement housing: "The market is moving away from the initial requirement of sheltered housing for sale to frail ladies."

"The builders are now concentrating on a broad range of people in their 60's trading down their houses for secure serviced apartments with no need to worry about repairs or gardening."

The luxury retirement buildings have been joined by the market pioneers, McCarthy and Stone, which already has

apartments under construction. "But we have decided to build luxury flats as well as more basic units, to tap the market from people who come from houses with gold taps and would like one of our apartments if we could meet that standard," says Mr John McCarthy, the chairman.

McCarthy and Stone is also investing £15m in its newly-launched Homelife Care division to provide four star nursing homes. The company plans to build up to six nursing home developments a year, aimed at the estimated 500,000 people who can afford to pay more than £200 a week for residential care.

This will enable the company to fill a market gap for more luxurious nursing homes, said Mr McCarthy. "It will also enable us to answer the question of what happens when our elderly residents get too frail for sheltered housing."

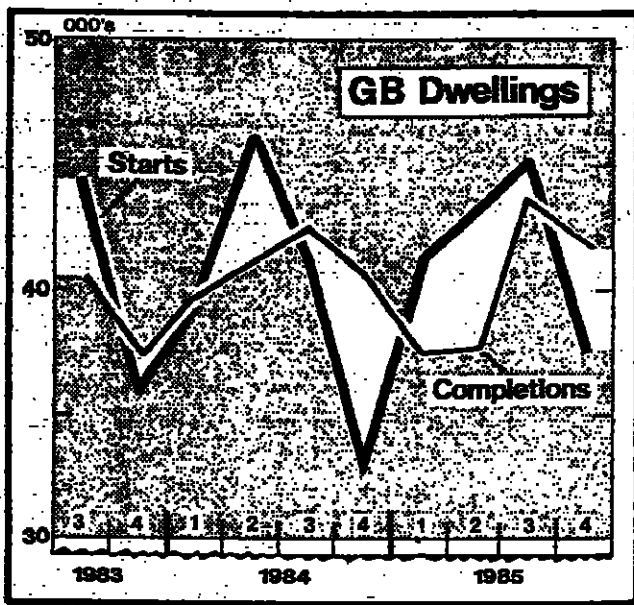
The Homelife developments will offer a combination of sheltered housing, residential accommodation and full nursing home facilities all on the same site.

McCarthy and Stone is not the only builder to provide nursing homes as the next step. Declan Kelly is also including nursing homes as the next step. Declan is developing, and plans to build in a ratio of one nursing home for every 100 flats.

Projected markets for private sheltered housing for the elderly, 1983-1990

Year	Total sheltered units sold	Total market in £m
1983	1,500	37.5
1984	2,000	52.0
1985	3,000	84.0
1986	5,000	145.0
1987	7,000	220.0
1988	9,000	300.0
1989	11,000	385.0
1990	13,000	480.0

† Total sales 1978-82 = 1,000 units. Figures prepared by the Housebuilders Federation.



Source: National House Building Council

Applications to build private homes bounced surprisingly up to 167,600 last year and a figure of 150,000 is forecast in 1985. One of the main growth areas involves up-market houses with a traditional look, like the thatched Bovis homes in Milton Keynes (above).



Nostalgic visions of a golden age

House Styles

JOAN GRAY

TWO images illustrate the way Britain's house-building and house styles have changed.

The first is of a two-bedroom, two-bathroom bungalow with a weathered and dove-cote. The second is a landscaped curve of town houses by the Thames in now-fashionable South Chelsea (formerly Battersea) on the site of a demolished iron foundry.

The first—part of Barratt's Premier collection—illustrates the features builders are having to offer to tempt buyers into choosing a comparatively expensive new house.

The second, a Water development, illustrates the type of sites they are turning to in their search for land. Both illustrate the return to traditional methods, materials and styles that characterises the 1980s house.

New houses are no longer flat-fronted, plain brick boxes in neat rows. They have gables, pitched roofs, ornamental windows, white-painted or different coloured bricks, and are arranged in village, courtyard or farmyard groups.

The builders' message is that tradition sells—and sells parti-

cularly well to the up-market customers they have in mind.

"The industry is going through a 'customer is king' phase," said Mr Richard Fraser, chief executive of Westbury Homes, one of Britain's largest privately-owned housebuilders.

"We have gone from being a production business in the early 1970s when we could sell anything we built, to being a financing business in the late 1970s, to being a marketing business."

"Now we have got to put something on the ground that the customer really wants to buy. It is more of a fashion business than ever."

In short, since high land prices mean that buyers are having to pay up to 15 per cent more for a new house than for an old one, they have to be convinced that they are getting something extra for their money.

"Most buyers are already adequately housed and do not have to move unless they change job location or their families are increasing," said Mr Tom Barron, chairman of Silvesen Homes.

"And when they do decide to move they have a much wider range of choice in the second-hand market than we can offer in house type, design and location.

"If we are to tempt them into paying a high premium for our

new houses we have to offer something they can't buy second-hand and something they haven't got in the house they are already living in.

"Fortunately we did such a lousy job in a sellers' market earlier that it ought not to be too difficult to produce something different and better."

So now the appearance of cottage styles and village groupings, and extra bathrooms, utility rooms and fitted kitchens is all part of builders' efforts to convince choosy purchasers to buy expensive new houses.

Structural

The overwhelming impression of the housebuilders' latest offerings is of picturebook nostalgia, of an industry selling a vision of a golden age of wealthy, well-scrubbed suburban peasants, well-exercised in their home gymnasiums, well-tanned in their solaria, and well-cleaned in the jacuzzi in the ensuite bathroom.

Potton, for example, is offering a modern version of the "traditional country cottage with a roaring log fire in the inglenook and beamed ceilings in each of the cosy rooms."

And they are not just decorative beams, but real structural timber: beams by the glossy hi-tech kitchen cooker, beams

in the bedroom, and beams to bang your head on by the bed.

Another home for the clean, green Wellington lifestyle is Charles Church's brick-and-flint walled Keepers Cottage, built of real flints carefully mixed to give the right texture.

Even in the very real environment of the fast-expanding new city of Milton Keynes, where planners take great care to provide builders with a regular supply of cheap land tailored to projected population requirements, the picturebook image persists.

There is not a straight row of flat-fronted red brick houses in sight on the new developments, but mixtures of brick and render, and gables and angles and tiled roofs of varying pitches, and fanlights, and stepped windows and circular windows. Down by the canal, tall houses are tricked out with bright stained wood in narrowboat colours of black, red, yellow, green and blue.

There is even a development with large, new thatched houses being built by Bovis. They come with four bedrooms, dressing room, ensuite bathroom, family bathroom with corner bath, study, and kitchen with antique pine.

"I would never pretend we were going to build thatched

homes on a great scale, but Milton Keynes Development Corporation asked us to incorporate them on an expensive development and we thought they would be marketable," said Bovis Homes chief executive Mr Philip Warner.

They have been highly marketable. No matter how picturesque their products, the builders are not living in any sort of " Tudorbethan " twilight, but talking the language of target consumer groups and products aimed as carefully at buyers as any baked bean or breakfast cereal.

"We want to service as many segments of the market as possible and are always looking for new gaps," said Wimpey Homes Mr David Easton.

He has been looking carefully at the executive buyer, testing a prototype galleried one-bedroom house for the bachelor Yuppies who want something with personality to reflect their lifestyle; executive family houses with jacuzzis and gymnasiums; and luxurious retirement apartments for executives in their sunshine years.

"We will build a few and then build up," said Mr Easton. "We build a prototype and then test the limits of the market before we start building them. We are very careful to do a 'belt-and-braces' before we launch anything."

Photograph by Snowdon.

Everyone thing could have brought them all together.

Mick Noble, Managing Director, Ideal Homes Midlands.
 Richard Farley, Construction Director, Charles Church Developments.
 Mike Norton, Group Marketing Director, Barratt Developments.
 Roy Dixon, Managing Director, Peco Homes.
 Donald Lewis, Director and General Manager, Miller Homes Northern.

Today's most successful house builders have one thing in common. They recognise the need not only to build quality homes, but to market them effectively.

They know that they must make sure their homes are built with their customers' requirements in mind.

And that includes GasWarm.

The overwhelming majority of today's house buyers prefer the 24-hour economy and controllability of gas for heating hot water and cooking.

GasWarm gives them all that, plus full insulation, to an exact British Gas specification.

In addition, GasWarm gives builders full promotional back-up, including highly visible advertising in the national and regional press, home buying press, and now, for the first time, television.

It's no wonder there are over 75,000 new homes being built to GasWarm standards on 1,600 sites.

Make sure you get all the advantages GasWarm can give you. It's one secret of success that even the best of competitors can share.



With gas, everyone's more comfortably off.

UK Building Industry 4



**IN BUILDING
MONK IS EVERYWHERE**

Airports, Retail Developments,
Sports & Leisure Centres, Schools,
Factories, Prestige Offices,
Specialist Flooring, Superstores...

Specialist Divisions include:-

- Design & Construction
- Management Contracting
- Monkradle Engineering
- Property Development
- Silidur Flooring
- Industrial Flooring

Contact us for your next project,
whatever it is!

A. Monk & Company, p.l.c.,
P.O. Box 43, Warrington, Cheshire WA1 4JB

Telephone: Padgate (0925) 812000
Telex: 628293

**Hunter Group
Building Division**

- Hunter Building Products
— Plumbing: 01 855 9851
- Greenwood Airvac Ventilation
— Ventilation: 0903 771021
- Waterloo Air Diffusion
— Air Diffusion: 03745 4121
- Ozonair Engineering Co. Ltd.
— Air Handling: 0622 77861



Hunter International Ltd., Quarry Wood Industrial Estate,
Aylesford, Maidstone, Kent ME20 7NB.

The name **ELTHORNE** is synonymous with
BLOCK PAVING
and has been carrying out the first
Concrete Block Paving in 1971

At that time, the sole manufacturer of Concrete
Block Paving approached ELTHORNE with a view
to provide a laying service so as to encourage the
development of the new product.

In recent years there has been a significant
increase in the areas being Block Paved, from
small drives and estate roads to port areas and
hence many precast concrete manufacturers have
set up production lines.

Elthorne continue to have a major share in
SUPPLY and LAY or LAY ONLY of many types
of BLOCK PAVING nationally including bedding
and brushing in sand. The Civil Engineering
Division of ELTHORNE can carry out preparatory
work for the laying of blocks, in addition to the
general groundworks.

ELTHORNE CONTRACTING Management team
at Stockley Road, West Drayton, Middlesex
telephone number 0895 443629 (4 lines)
will be pleased to deal with any enquiries.

Selling moves into fashion

**Building
Materials**

JOAN GRAY

IN A reflection of the trend sweeping the whole building industry, Britain's most successful building materials companies have been forced to start thinking of themselves as manufacturers and marketers of vogue products, not just producers of basic commodities.

But growing fashion-consciousness is only part of the story. For manufacturers of the more basic products — common bricks, sand, gravel or cement — have been particularly hard hit by cuts in Government spending on housing and civil engineering projects. And they have little scope for flashy marketing.

So the successful companies have also invested heavily in new plant to cut labour and fuel costs, and have cut out unproductive capacity as well as expanding into new markets.

"The industry has not grown overall because of the problems of the construction industry," said Mr Nigel Chaldecott, director general of the National Council of Building Material Producers. "But it has kept its profits up by rationalising plant and reducing labour forces."

The pattern of heavy investment in new plant is seen throughout the materials industry. For example, Blue Circle, Britain's largest cement manufacturer, decided to invest \$80m modernising plants at Caidon and Dunbar to give savings on production costs of 10 per cent, while British Gypsum has spent more than \$33.5m on an automated plaster-board factory at East Leake in Leicestershire.

Redland has invested \$25m in replacing and updating its concrete roof tile plants, and ARC has spent \$5m on one automated quarry at Whitwick near Coalville in Leicestershire.

The brick makers have spent more than \$50m in improving production over the past 18 months. These include Blocktels, which has invested \$9m in plant to produce its simulated hand-made bricks.

George Armitage has built a new \$7.5m factory to make Nori

bricks (so named because an apprentice, preparing moulds for the iron-hard clay in the last century, got the name the wrong way round).

Redland has spent \$5m adding 50m bricks a year to its capacity.

One of the biggest investments is Steelley's £11m Parkhouse brick plant, which clearly illustrates the new economics of brick making. Parkhouse will turn out 50m bricks a year and give major savings in production costs, explained Mr Richard Miles, Steelley Brick chairman.

"Ten years ago Steelley made 129,000 bricks per man year; in 1984 we made bricks at the rate of 350,000 per man year. With Parkhouse we make 1m bricks a man year, eight times better than the company's average 10 years ago," he said.

The brick market has shifted away from the basic common fletton bricks to higher quality facing bricks.

This shift has been caused by commercial housebuilders demand for distinctive bricks of character for their larger and more upmarket new houses, and by the architects' preference for high-quality bricks for offices and shopping centres. As a result of this changing pattern of demand, bricks have become a vogue fashion product, and the ratio of

common bricks to facing bricks sold has shifted over the decade from 47:53 in 1975 to 26:74.

The building materials producers have latched on to the importance of marketing in a big way. Two of the most spectacular industry-wide campaigns have been from the Brick Development Association (promoting brick for a beautiful Britain) and from the concrete block manufacturers.

Their concerted attack on timber-frame housing under the title of the Campaign for Traditional Housing has almost managed to kill timber-frame building for mass-market housing in Britain.

Blocks

These industry-wide campaigns have been backed up by vigorous efforts by the companies concerned — of which concrete blockmakers Thermalite's promotional efforts deserve some sort of prize for sheer verve.

Thermalite managed to engage the first man on the moon, Neil Armstrong, to speak at a launch inaugurating the company's "Hz off" campaign to extol the virtues of its lightweight concrete blocks.

Mr Armstrong may have refused to speak directly about the virtues of such blocks, but

he was there nonetheless; and the company managed to run a competition for builders and builders merchants with a trip to Florida as the prize, complete with a promise of a grandstand seat at the launch of the space shuttle.

Among the brickmakers, Ibstock Johnsen was the industry's marketing pioneer. The company offered nothing so flashy as a spaceman but a specialist service for producing almost any brick a client wanted and help with designing buildings in brick.

Ibstock has produced bricks embellished with Tudor roses, bricks for arches and corners, and twisted bricks for recreating Elizabethan barleybrick chimneys.

Putting a new emphasis on marketing or offering special products is a little harder for manufacturers of such basic commodities as sand and gravel, or cement.

In these sectors, faced with sluggish demand caused by construction cutbacks at home, several of the major companies have turned to the U.S. for growth.

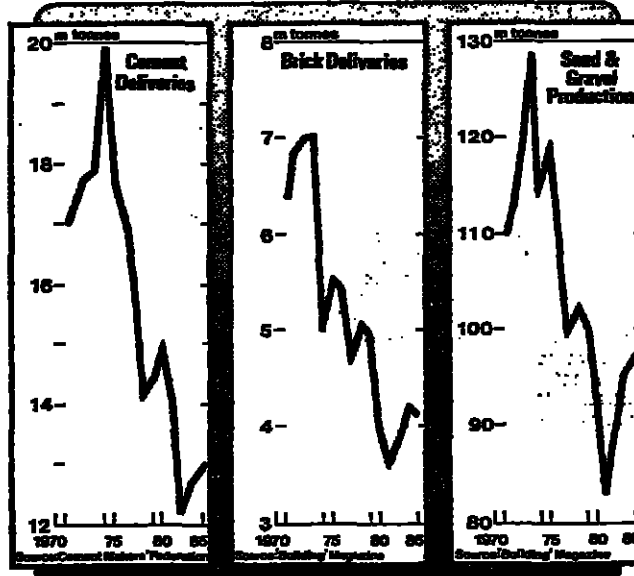
Big ventures into the U.S. in the last year include Tarmac's \$85.7m (\$79.5m) purchase of the Florida quarries of the U.S. cement producer Lone Star, and Blue Circle's purchase of Atlantic Cement for \$120m (\$145m) followed by the takeover of ready-mixed concrete company Williams Bros in Atlanta.

RMC, ARC and Redland are also expanding in the U.S.

Rugby Portland made two attempts in the past year to escape from the UK cement business. First, it bought a British joinery company, John Carr, for \$64.6m and then paid \$12m for the Addison Corporation, a US manufacturer of timber and joinery products based in Atlanta.

Cement is not one of the most sparkling sectors of Britain's building materials industry. Demand is hard to influence, and prices are set by a cartel of the three big producers — Blue Circle, Rugby Portland and Rio Tinto Zinc.

The cement manufacturers are much worried by the prospect of the imports of cheap foreign cement, although these have so far stabilised at a very small percentage of the UK market.



To the manors warmly reborn

Timber Frame

JOAN GRAY

TIMBER-FRAME housing remains one of the most controversial issues in building in Britain.

After a television programme by the World in Action team showing damp and rotting timber-frame houses and timbers lying in pools of water on building sites, buyers panicked and mass-market sales disappeared.

Total timber-frame sales tumbled from 23 per cent of houses built in Great Britain at the end of 1982 to 9 per cent last year.

The big builders have cut output of timber-frame houses, even though they like this method of building for its speed and the in-past well-insulated houses it produces.

Barratt has cut its output of timber-frame houses from 54 per cent to virtually nil; Wimpey has cut it from 60 per cent to around 40 per cent.

Although mass-market sales have gone, this method of building — which uses a timber frame for the structure of the house rather than the brick or concrete blocks more usual in England — is enjoying a new popularity at the top of the market among the sort of buyer who wants a warm and elegant manner house.

Guidway, the market leader in Britain, is producing 1,500 timber-frame houses a year selling at up to \$400,000 in the South-east. It includes among its customers a Kuwaiti sheikh, an African chief, a Bishop, a countess and a judge.

Medina, also a British company, has managed to build its sales back to the level before the World in Action scare, once again by concentrating on selling up-market.

Two Scandinavian companies have also managed to gain timber-frame sales in Britain. Copenhagen House, which is planning to sell 50 luxury houses in Britain a year from a village which includes a version of Anne Hathaway's cottage and a Georgian country manor, managed to sell a dozen in the UK last year.

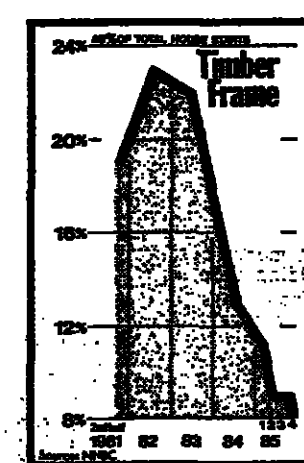
Myresjö — the Swedish company which prides itself on the sort of workmanship that demands that all the slots in all the screw heads line up with each other and with the grain of the wood — sold 30 developments of its luxurious houses, worth \$1m, in Britain last year.

The company is planning to sell between 50 and 100 developments a year, all to be built by carefully selected local builders.

The rise and fall of timber frame is an object lesson in the new marketing consciousness of the industry. For timber-frame building has been the focus of a carefully-orchestrated campaign organised by the concrete block makers.

Worried about their falling sales because of the growing number of timber-frame houses, the block-makers organised a "campaign for traditional housing," stressing "consumers' right to know" how their houses were built.

The efforts of 90 suppliers to the timber-frame industry to win back market share with a rival campaign extolling the virtues of brick and timber houses, with pictures of substantial Tudor buildings and Old Testament quotations about



building temples out of timber, have so far been unsuccessful.

The concrete block-makers got in first, and are delighted with their success.

"Every percentage point by which sales of timber frame houses rose cost the block industry another £m," explained Mr John Metcalfe, director of the British Pre-Cast Concrete Federation.

"And now timber frame housing has come down we are happy because every percentage point it goes down is another £m for the block industry."

Although building societies such as the Halifax and the Anglia say that properly constructed timber-frame houses are acceptable as security for loans, and the National House Building Council has not reported any great incidences of claims under its guarantee

scheme, the method remains tainted by criticism.

The problem was not helped by a leaked report from the Government's Building Research Establishment earlier this year. This said that timber-frame housing built in Britain contained "potentially disastrous" flaws and significant faults relating to "strength and stability, fire-resistance, fire and durability."

The faults arose mainly from the design (36 per cent) and from building on site (49 per cent). The most common design faults simply reflected "lack of adequate forethought," the report said.

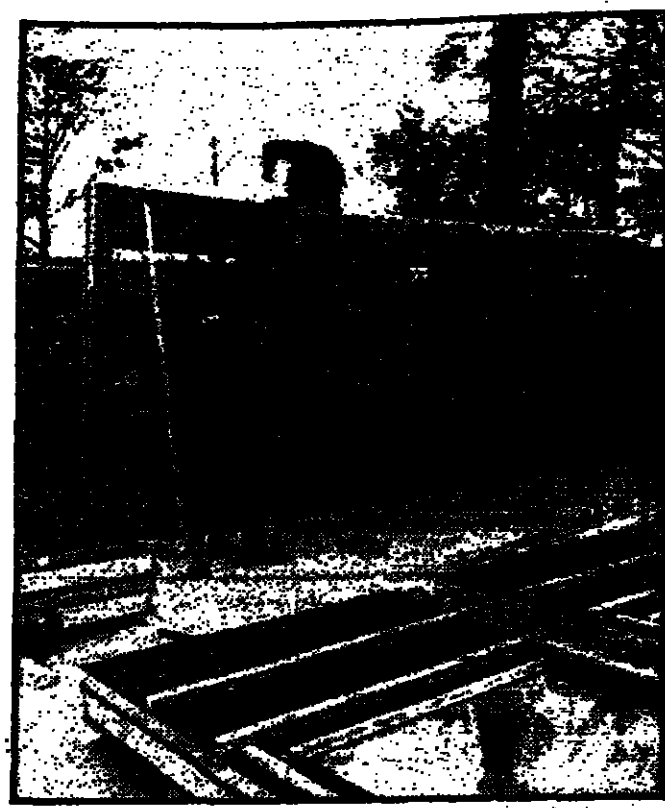
Designers often did not pay sufficient attention to making sure that the houses could be built easily, particularly by British workmen who might be unaccustomed to the technique.

"The main problem is that details which in masonry construction can be made good with a trowel and mortar, in timber frame are more likely to demand accurate scribbing and fitting," it said.

The difficulty was compounded by the fact that site workers were often not trained to appreciate the accuracy needed.

"Accustomed to cutting and modifying to accommodate subsequent work, they were perhaps unaware that timber-frame construction might be less tolerant of such practices."

This last comment encapsulates the whole problem: it is not that timber frame is any less good a method of building than the brick-and-block methods more commonly used in Britain. It is just that it is more sensitive and must be used by a carefully trained and well-supervised workforce.



The big builders have cut output of timber-frame housing, but the method is still popular at the top end of the market

FOLLOW THE LEADERS . . .

and a comprehensive range of other products from

BDC CONCRETE PRODUCTS LTD.
— market leaders in concrete paving block systems.

A subsidiary of British Dredging p.l.c., B.D.C. are the national paving block specialists, offering full U.K. coverage with established works at Newport (Gwent) and Gateshead (Tyne & Wear), together with a new manufacturing plant at STANFORD-LE-HOPPE in the M25 in Essex.

BDC CONCRETE PRODUCTS LTD.
Newport (Gwent) Gateshead (Tyne & Wear)
Stanford-La-Hope (Essex)
Telephone Newport (0633) 52781

Engineering Excellence . . .

...for a world of change

The needs of commerce and industry have become increasingly complex and modern technologically based society and this change has created a greater need for the sophisticated range of building and process engineering which Haden Young provides.

With our unrivalled experience in the fields of design, engineering, development and construction management for all types of commercial, industrial buildings, we are able to offer a service tailored to your needs.

Haden Young
100 High Street, Southampton, London W14 3EQ.
Telephone 01-833 8181. Telex: 9410 Haden G.
Twenty offices throughout the United Kingdom.

BUILDING, INDUSTRIAL AND PROCESS ENGINEERS

BRITAIN'S LEADING MANUFACTURER OF CONCRETE FACING BRICKS.

Edenhall Concrete Products together with its associate companies is Britain's largest manufacturer of concrete facing bricks and is also a market leader in insulated building materials. Traditionally strong in the North, Edenhall has recently expanded into the South of England with a major new manufacturing plant in Essex, to meet the demand for its products in Greater London and Southern England.

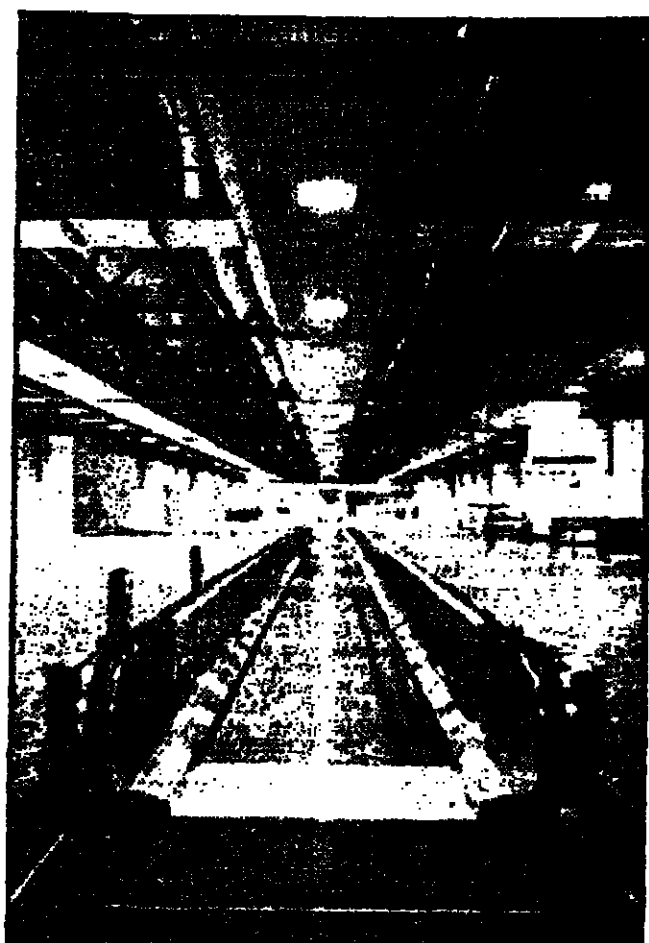
Other leaders in London and Northern Group include United Medical Enterprises,

Britain's leader in the fast-growing world healthcare market; McMillan Offshore, suppliers of specialist personnel to the North Sea oil industries; Blackwell Tractor Shoes, Britain's leading independent earthmover; Steel Stockholders, Britain's leading steel profiler; and Weathersal Windows, pioneers in domestic double glazing.

Send for the latest London and Northern Annual Report and find out more about a Group with a turnover in excess of £250m and which continues to extend its interests in growth fields.

LONDON AND NORTHERN
Essex Hall, Essex Street, London WC2R 3JD. Tel: 01-836 9261

Squeezing more out of the industry



Terminal 4 at Heathrow Airport was the largest management contract in Europe

Management Contracting

MIRA BAR-HILLEL

IT IS a very unusual project that can begin operating on the day scheduled at its inception—and within budget—according to Mr Roy Meyer of the Coca-Cola Company.

"Our project in Durham is the only one to do so in my experience," he says, talking about a factory provided on a design-and-build basis by IBC Group. Another project is described as "an outstanding example of industrial architecture and building" by Mr Frank Edwards, managing director of Fluids Foods. "The contractor completed five months ahead of schedule and their efforts have been quite remarkable."

The factory for the production of 20,000 tonnes a year of food products was also a design-and-build package, this time by Shepherd of York. The system is growing in popularity such that major contractors whose main workload has been traditional contracting have set up design-

and-build divisions. They include Wimpey, Costain, Laing, Mowlem and several Trafalgar House companies.

Their market share is probably made up largely of people who have had their fingers burnt on a traditional contract that went awry.

One of the problems in assessing building procurement involves definitions. As the management input factor in the building process has become recognised as of crucial importance, the number of variations and permutations is now so large as to be confusing and offending to the end user.

The list includes: traditional contracting (sequential and accelerated); management contracting (by either contractor or consultant); develop and construct; design and build (either direct or competitive).

Attempts to define the various titles are further confused by disagreement over details. And to cap it all, there is the concept of project management, which can be part of some of the above or additional to it.

For example, the Swan and Edgar store conversion into Centre at the Circus (Piccadilly) was done using John Lelliott as management contractor, with the work let out in

dozens of packages to other contractors. However, in overall charge was the representative of Michael Laurie, a chartered surveyor, who was the client's representative.

Companies which specialise in project management like PMI International will guide the client on which contracting route to choose but will ultimately manage whatever the decision brings. This means the industry is moving from suffering too little management input to risking a surplus. Architects, quantity surveyors and other chartered surveyors are fighting over this plum role as it involves supremacy in the building team.

Guaranteed

It is not clear which of the many methods will survive tests of time. But with a few notable exceptions like bespoke prestige office buildings (the Hongkong and Shanghai Bank, for instance) clients will go for two things:

- contract arrangement where there is the one proverbial bottom to kick.
- Guaranteed maximum prices and preferably guaranteed completion times.

The former comes in many different wordings but is nevertheless clear. Mr Jim Thornton of Ashby and Horner Team Contracts calls it "single-point responsibility," while Mr Peter Jer of Wilshire's variation is "a single source of responsibility." The contrast is with the old system, condemned by the British Property Federation two years ago for being "outmoded, generating difference and argument."

The second demand comes out of the first. There is more evidence that the building industry can guarantee prices and times, although it may still require both sticks and carrots.

For instance, the £20m Nissan factory being built at Washington New Town by Sir Robert McAlpine, with quantity surveyors Turner and Townsend as project managers and cost controllers, the main stick is the level of late completion penalties of £50,000 a week.

This stick meant that when the contract was let down by a specialist, steel subcontractor which could have been a three-month delay (with the blame passed round while little got done) was absorbed into the programme.

"We are on programme for

time, value and cost," says Mr Akira Shimazaki, Nissan's resident senior engineering adviser.

According to Mr Geoffrey Townsend, former president of the Royal Institute of Chartered Surveyors and a quantity surveyor, given the client's requirements of time and cost "traditional UK methods of tender procurement were not even worthy of serious consideration."

Complicated

While design-and-build packages are probably suitable for most industrial buildings and most modest commercial ones, while traditional architect-led contracts suite one-off design-based projects, management contracting can come into its own on schemes which are very large, complicated and have a substantial engineering content.

A case in point is Heathrow Airport Terminal Four, which has received the 1985 European Design Award for constructional steelwork. The complexity of this effort meant that not only was there considerable management input from the client, the British Airports Authority, but Taylor Woodrow were retained to manage alongside architects Scott Brownrigg and Turner and structural engineers Scott Wilson Kirkpatrick.

The Scottish Exhibition and Conference Centre at Queens Dock, Glasgow, a project costing almost £35m, began as a twinkle in the eye of the Scottish Development Agency in 1978. The project has been complicated by needing expensive site works to prepare the ground and by a complex funding arrangement, including several local authorities and about 57m from the private sector.

Bovis was chosen as management contractor and the design team was appointed after this selection rather than the other way round. James Parr and Partners were the architects, Thornburn Associates civil and structural engineers and Turner and Townsend won the quantity surveying role.

The first booking was taken for a trade show on September 8, so late completion was never contemplated. Indeed, once site preparations were complete the building works for five inter-linked halls totalling 90,000 sq metres of exhibition area out of a 33,000 sq metres total area took just over two years.

These examples support the claim that there is nothing inherently faulty with the UK building industry that a large dose of sensible management will cure.

Seven basic steps to time-saving

Nedo Report

MIRA BAR-HILLEL

CONSTRUCTION times on new industrial buildings can be halved, at least, when company directors have an understanding of how to use the available building skills. This is the conclusion, resulting from its research, reached by the Building Economic Development Committee of Nedo.

Sir Monty Finlston, the building EDC chairman, also heads the Industrial Building Bureau (IBB) which campaigns along the same lines to encourage industrialists to invest in renewing or modernising their premises as a way of improving productivity and overall economic performance.

He has recently gained the support of the Department of Industry, and Junior Minister, Mr John Sutchen, launched a campaign to improve industrial building efficiency. The campaign shares its name with a Nedo publication, Thinking about Building, which is a customer's guide to getting the most out of the industry.

"Research has shown clearly that we have the design, assessment and construction skills to match those of any other country," says Sir Monty. "But the British building industry has been slow to define and communicate its services in a clear, straightforward manner."

In fact the British building industry has not performed impressively, and the new campaign is intended to teach customers how to persuade it to do better.

Thinking about Building is subtitled "A successful business customer's guide to using the construction industry." It explains clearly and briefly what people should know—or find out—before commissioning a building.

"New industrial buildings can rarely be standard items; refurbishments never are. The evidence is that you get out what you put in," the guide says.

The secret of halving construction times begins with following seven basic steps outlined by Nedo and based on its research.

Selecting an in-house project executive is important, and organisations which build regularly have people with

sound project management skills. If such a person is available full-time for a project, he should be given the task. Even if not, an in-house executive is still needed to act in support of outside consultants. A single person for external contact and decisions is a proven aid to efficient action, says Nedo.

Appointment of a principal adviser is useful for companies which do not have in-house skills and resources to run a building project. The quality of this adviser will be crucial. Nedo is cautious about naming the profession most suitable for this "principal adviser" role: it mentions architects, quantity surveyors, engineers, specialist project managers and even contracting companies with management and design as well as construction skills.

Speedy and efficient building work is aided by good planning and briefing. The worst enemy of rapid construction is usually a client who keeps changing his mind. But Nedo adds a warning that a customer may start by preparing the specification for a building or remodelling it to fit existing activities only to find that he has discovered the possibility of producing a change.

When procuring materials members of the industry can team up in various ways, the guide says. In reality, alternative forms of procurement are

competing for market shares. The stakes are high and Nedo cannot be blamed for sitting on the fence. It does, however, make a commendable effort to define the various approaches.

It is the quality of the people the companies employ that ultimately decide the success or failure of a building project. As with the principal adviser, the quoted price is not necessarily the best guide to selection. Individual quality—and the right interaction—are essential. It is also essential to involve the contractor in discussions from the earliest stages.

Earlier Nedo research, published in Faster Building For Industry, revealed that delays often result when clients designate a site or building for remodelling before it has been professionally surveyed and appraised.

Before launching its campaign to customers Nedo gave early notice to the building industry to prepare both consultants and contractors for what it hopes will be a surge in inquiries and demand for building services. Advice to professionals is complementary to that offered to clients.

It is helpful for a builder to offer his services as "principal adviser," be prepared to fill management gaps in the client's organisation and be able to follow on the client's preferred procurement methods. He should try to simplify his customer's dealings with the building industry.

Nedo says: "Develop the ability to give your client the speed he wants by adopting design principles which are both buildable and reusable. Concentrate your efforts in locations you can readily service and where you are familiar with local contractors and specialists."

JOAN GRAY reports on a fast contract Hot-pace hotpot

THE NEW approach of the building industry was illustrated when Hewlett Packard wanted a new computer centre near Manchester—and fast.

The company chose Bovis, part of P & O, which also has contracts for the refurbishing. Jaeger shops to the first two phases of the £300m redevelopment of London's Liverpool Street and Broad Street stations.

"We chose them because they convinced us they could put the right team together for the job. Management contracting is about people," said Mr Tony Thomson, Hewlett

Packard's UK property manager. "They convinced us they would be committed to the job, be on the same side as us, and get it finished in time."

The job was finished in spite of bitter weather, as time for company and civic dignitaries to be treated to a Lancashire hotpot and champagne reception.

"Like all computer companies they tend to be very demanding. Because they are in such a successful industry they see no reason why your success shouldn't be on a par with theirs," said Bovis project manager Mr Cliff Harrison.

SITE SEEING TOUR.



Over 700 building sites active every day.

Tarmac Construction

CONSTRUCTION AT ITS BEST

Tarmac Construction Limited, Construction House, Birch Street, Wolverhampton WV1 4HY Telephone: (0902) 22431 Telex: 338057

MAKE A LEVEL HEADED DECISION

Clear, level-headed decision-making in the business of building is increasingly difficult.

Help, however, is available. It is called Building Market Report. Each month a team of specialist writers sifts the mass of statistics, forecasts, news and reports. From this it produces authoritative commentary and practical guidance.

Building Market Report is tailored to the needs of the busy executive, providing concise, readable and incisive commentary on the construction industry's markets.

When, as recently, Building Market Report is quoted extensively in the Financial Times, you can be sure the full report is worth reading.

But don't just take our word for it, see for yourself. The current edition is yours for the asking.

01-353 2300
Extension 255

Building Market Report
Builder House
1 Pemberton Row
London EC4A 4HL

Building Market Report

The Monthly Newsletter of Building Business



FRENCH KIER BUILD

WE ALSO DESIGN AND CONSTRUCT

For over a century, French Kier has been building everything from private housing to major new hospital complexes, offices and factories; but our building work doesn't stop there. In the process we have built up an enviable reputation. French Kier are a responsible, highly responsive organisation that clients invariably like to return to. French Kier offers a comprehensive

range of design, planning and construction skills on both a national and regional basis, with fifteen Area Offices throughout the UK. As a result we can point to relevant experience in all forms of contract, and in many situations, with particular expertise in inner city locations - both new build and quality refurbishment. We talk realistically about every aspect of a project, with our skills combining to achieve completion

on time and within budget. Our clients call it total commitment. We call it French Kier. The building skills of French Kier Construction represent just one facet of the Company's many activities. For further information about these, or our activities in civil engineering, property development, or construction management,

please contact Dick Allen, Managing Director, French Kier Construction Limited, Tempersford Hall, Sandy, Bedfordshire, SG19 2BD. Tel: Biggleswade (0767) 40111.



A member of the French Kier Group

UK Building Industry 6

Alastair Guild on new designs and materials demanded by developers and occupiers

New light cast on soulless monoliths

Shopping Centres

SHOPPING CENTRES are no longer the soulless monoliths they were in the 1950s and 1960s. They are intended instead to be pleasurable places to be, not just to shop. At the same time, more attention is being paid to their overall context.

According to Ms Nadine Beddington, an architect and author of *Design for Shopping Centres*: "One of the most important trends is towards the use of daylight in covered centres. The refurbishment of centres built in the 1960s is also allowing daylight through as part of a drive towards energy conservation and the desire of shoppers to have contact with the outside world."

"There is a striking contrast between earlier dull or environmentally insensitive UK centres and recently completed examples such as the Queensgate Peterborough and Cameron Toll, Edinburgh." To these can be added developments in Basildon's town centre.

Part of the design philosophy in Peterborough was to preserve and restore old buildings and to blend the old with the new. The exterior of the shopping centre is finished in Ancester and Cliphsham stone on frontages nearest the cathedral, handmade facing bricks on all the others, with tinted glass and lead-clad mansard roof. All the squares and the two-level mall have natural light and high ceilings finished with sprayed acoustic plaster.

Cream Jura marble was used with Onadate Travertine to pave the malls and squares throughout the centre. The pools and seating areas in the main squares are edged with Baltic brown granite. Filasters between the shop fronts are clad in stainless steel.

If the primary objective of a shopping centre is profitably to improve the quality of life of customers, then, said Ms

Beddington, Peterborough has achieved it, "largely by the adoption of the transatlantic design approach backed by research."

"It is entered from two levels, the street discharging into the lower level, while the multi-level car park and the bus station are connected by an excitingly designed glazed enclosure discharging directly into the upper mall. On entering there is immediate impact. One has entered a world of activity, interest, excitement, an atmosphere equivalent to that of many sophisticated transatlantic centres."

Unlike Peterborough, Basildon's town centre is far from historic. It was built in the 1950s and is already showing its age. So it is hoped that the high standard of facilities set by a recently completed shopping mall will help uplift standards in the existing Town Square.

Award

Basildon's town centre expansion is similarly based on developments in North America. Incorporating a large department store as a focal point at one end, the mall offers shopping on two main levels throughout its length and opens out into an atrium at the department store entrance. Complemented by generous planting schemes, the mall is intended to provide an attractive shopping environment. It will also offer a variety of entertainment facilities well outside normal shopping hours.

Basildon Development Corporation has firm plans to link the new covered mall to the existing Town Square to form the largest undercover shopping centre in Europe, with nearly 2m sq ft of retail space. The square would be permanently roofed over with a lightweight fabric roof of Teflon coated glass fibre. The proposal includes the building of three glass pavilions housing up to 24 shops and three restaurants on two levels.

Cameron Toll, the winner of last year's International Council for Shopping Centres award

for the best large centre, is built in yet another environmental context, different from both Peterborough and Basildon. Cameron Toll's situation is more rural than urban, with a major planning constraint, after a public inquiry, being the retention of a walkway which follows the path of a burn through the site and is part of an historical walkway traversing the south of Edinburgh.

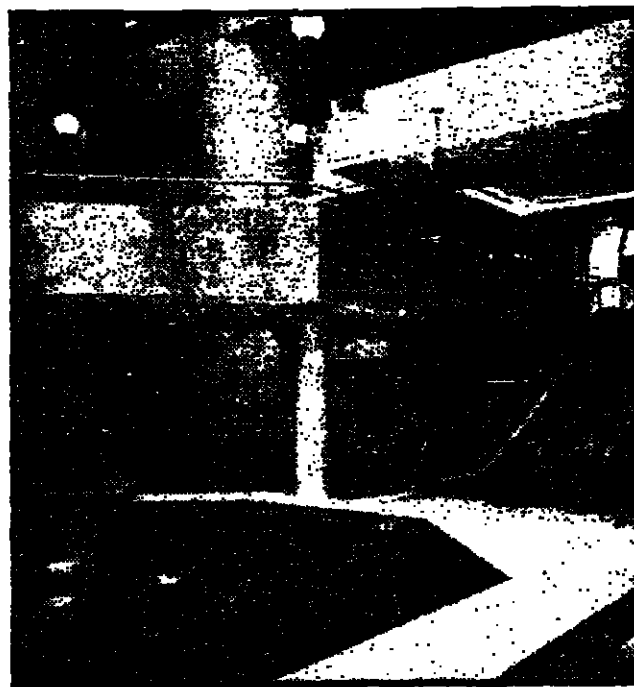
The planning authority insisted also that no working part, such as service yards or roof mounted equipment should be seen from any of the roads or housing that overlook the development; and the centre was to have the minimum visual impact on nearby residents.

The concept that arose out of the developer's brief for a "highly commercial shopping centre with an outstanding architectural statement" was a multi-faceted translucent building in a heavily landscaped setting.

The external profile of the building is a toughened glass skin which encloses the building and floats above a facing brick podium with a constant ridge line at 11 metres affording a visual screen to the roof mounted equipment.

The V moulding of the glazed facade enabled the architects to extend the upper glazed surface down over mall entrances and loading bays to form canopies. Gilbert Ash, the developers, concerned with the image of the building at night, appointed lighting consultants, Lighting Design Partnership, to produce an effect in darkness equal to or exceeding the visual effect in daylight. LDP's suggestion was to flood the brick podium with light so that the glass envelope floated over it and to install a thin red neon line all around the mid-point of the glazing which folded down the mitres at entrances to form the logo "Cameron Toll" above each.

To achieve the optimum solution for the mall design, Gilbert Ash asked international designers to submit their proposals. From the submissions, DI Design in Toronto were briefed to prepare proposals on



Demand for high-quality refurbishing of blocks like Triton Court, north of the City, have stimulated specialists like Crittall Technic

the concept of a shopping street.

SavaCentre occupies about 50 per cent of the retail content of Cameron Toll and yet presents only 16 metre frontage to the mall. So the mall itself is not extensive considering the gross footage of the centre. DI Design were asked to consider the visual extension of the volume of the mall while reflecting the character of the external appearance of the building.

The mall concept uses reflective surfaces both vertically and on sloping mall ceilings to extend the visual volume of the area and reflect the lighting, colour and activity in the centre. The reflective walls and ceilings of the mall are highlighted by twinkler lighting in the trees which line the mall, linking the internal environment to the external through landscape.

The entire mall lighting is controlled by computer, which adjusts the lighting through the day according to the daylight penetrating the mall from the overhead cupola.

The umbrellas of the restaurant, which overlooks the heavily landscaped mall centre, are festooned with twinkler lights. These reflect in the mirrored walls along with the movement of people and the green of the landscape.

Growth in spare spaces

The rapid decline in British manufacturing industry over recent years has made itself felt on the building industry, too. Increased stress has been placed on policies to help small firms to grow; at the same time a legacy of vast industrial structures for which there is no obvious demand has been left behind. A study in the mill towns of Lancashire and Yorkshire, for example, identified some 30m sq ft of vacant space.

Small businesses are one solution to the problem of re-using redundant buildings. Other opportunities also exist, however, to help small companies to grow and to stop valuable buildings going to waste, says Business Research Trust in its study *Putting Space to Work*.

The authors, Howard Green and Paul Foley, focus on the potential for companies still in business to let space they no longer need.

"Perhaps the most important conclusion of the survey is that very few firms think

they have spare space and therefore do not consider they have the opportunity," says Mr Green. "The relief of rates on empty premises is reducing the pressure to do anything. Yet not only can the letting out of spare space yield a useful income, but, from the tenants' point of view, it can provide a far more supportive environment than a self-contained unit on an anonymous new industrial estate. It is also much cheaper."

The return on money invested in subdividing property, in the study, averaged 144 per cent during the first year. For some companies, where little building work or refurbishment was required, rewards were even higher.

Income from subdivision assisted company cashflow and in some cases made a substantial contribution to the survival of the business. The costs of subdivision were around £1.39 per sq ft against £25 for newly constructed premises.

"The time has come for a government-backed campaign to disseminate information about the different approaches to accommodating small firms, combined with a review of ways of relaxing some of the constraints that stop businesses putting spare space to good use," says Mr Green.

At the same time, local authorities could play a useful role in undertaking or commissioning feasibility studies in association with the growing number of local enterprise agencies and trusts. Such studies could also help to "package" finance for conversion from the various sources now available, including the EEC.

Mr Green runs a workshop at Leeds Polytechnic designed to show how redundant floor-space can offer potential as a home for small businesses. The emphasis of the workshop is on the practical side of the problem of re-use, with talks on problems and methods involved in conversions.

Designs blend into the landscape

Industry and Offices

of uses from offices to production.

In the commercial sector, generally, there is a demand for buildings which are both flexible in their use and environmentally sensitive. That is a particularly important factor as more large companies locate main offices away from town centres.

One example is the design of the new head office for Amersham International on a site in Little Chalfont, Buckinghamshire. The company's objective was to realise the production potential of its nearby campus by moving out key administrative functions.

The design team, including architects Perry Thomas Partnership, had to provide a suitable image for a prestige office block within the constraints of a modest urban site.

The two-storey, rectangular building suspended over a semi-basement car park makes use of the falling ground level to present a low aspect to the centre of Little Chalfont. Local bricks and grey slate pitched roofs help the building, constructed by management contractor Higgs and Hill, to blend with its surroundings.

From the outset, Amersham

worked closely not only with the architects but also the interior designers, Baker Sayer, to achieve a consistency of approach.

The same degree of environmental sensitivity and flexibility has been sought by the Sidney Kaye Firmin Partnership in its design for the Bank Xerox headquarters being built in a semi-rural area on the outskirts of Marlow.

The building has been planned to a maximum of ground floor plus three upper floor levels, around a number of internal courtyards, with each floor level stepping back from the perimeter of the floor below in pyramid fashion. The highest point of the building is approximately in the centre of the development and furthest away from neighbouring properties. The use of sloping roofs gives the building externally an essentially domestic and rural character.

The office areas are planned on a 1.2 metre mesh to suit either open plan or cellular office configuration. All areas will be finished with fully accessible raised floor and ceiling.

The idea of integrating with local surroundings is not, how-

ever, being followed slavishly. The Herma Miller factory comes as something of a shock. It is a bright blue high-tech box in the heart of a rural area near Chippenham, Wiltshire.

However, the unit is nothing if not adaptable. "The company is interested in the whole concept of flexibility," says Nicholas Grimshaw and Partners, the architects. The office furniture system made by Herma Miller, known as Action Office, is based on users being able to change them as frequently as changing needs demand. "They were very interested in the concept of constructing a building which would somehow reflect their own philosophy," says Mr Grimshaw.

Window panels, door panels, loading doors and ventilation inlets can all be moved. Services such as the electrical substation and sprinkler pump houses have been moved to small ancillary buildings.

One whole wall can be removed, the structure extended and then the panel and glazing refixed. It is designed to expand to about 25,000 sq metres with quite a large proportion being taken up with warehousing.



Who says you can't please all of the people all of the time?

We're well aware that economy is just as important to you as it is to your customers. Just as they want to know the heating and water heating system in the home they're buying will be economical to run, you want to know it'll be economical to install.

But at the same time, you both demand quality. That's why the all-electric Medallion Award specification is so popular.

It means your customers save on running costs because the whole system is designed to run on Economy 7 night time electricity, which is less than half price electricity compared with the standard domestic rate.

And it means you save on capital costs because an all-electric system doesn't require pipes or flues, so installation is both quicker and easier.

Yet neither saving is at the expense of quality.

That's why top builders like Barratt, Laing, Wimpey and McCarthy and Stone all build Medallion Award homes. And that's why their customers buy them.

To get the full facts about the Medallion Award Scheme, simply speak to your local Electricity Board contact below.

And you'll find out just what it is that makes everyone so happy.

In new homes by the thousand

BUILDELECTRIC

is the cheapest way

The Electricity Council, England and Wales



To get the Medallion Award, your homes must meet the full Medallion Award Specification, including energy-efficient design, and a full heating and water-heating system designed to make the most of the Economy 7 tariff. For more information, fax dial 100 and ask for Freddie Buildeclectric or contact the Buildeclectric Bureau, 26 Store Street, London WC1E 7BT. Tel: 01-580 4988. Or simply speak to your local Electricity Board contact: LONDON Cliff Hall, 01-242 9050.

SOUTH EASTERN Dan Keir, Brighton 724522. SOUTHERN Stuart Holmes, Littlewick Green 2166. SOUTH WESTERN Chris Hope, Bristol 26602. SOUTH WALES Robert Hackett, Cardiff 79711. MERSEYDE AND NORTH WALES Malcolm Cooper, Chester 37711. EASTERN Mike Cooper, Reading, Ipswich 08988, EAST MIDLANDS Frank Smith, Nottingham 26716. MIDLANDS Peter Hare, 021-422 4000. YORKSHIRE Tony Haynes, Leeds 872123. NORTH EASTERN Colin Howarth, Newcastle 327520. NORTH WESTERN Alvin Johnson, 051 934 3161.

Handwritten signature or mark at the bottom of the page.

SECTION II - COMPANIES AND MARKETS
FINANCIAL TIMES

Tuesday February 4 1986



VEHICLE CONTRACTORS
021 632 4222

Zanussi expects return to profit as orders rise

BY ALAN FRIEDMAN IN MILAN

ZANUSSI, the leading Italian home appliance maker which is controlled by Electrolux of Sweden, reduced its loss in 1985 to around L1,000m (\$1.6m) from a deficit of L1,200m in 1984.

to around L1,000m and group debt was reduced from L1,000m to L800m by year-end.

investments over a three-year period. New investments in 1986 will total L140m.

European computer shop chain for Olivetti

By Our Milan Correspondent

OLIVETTI, Europe's leading office equipment maker, is joining forces with Micro Age, the US chain of personal computer shops, to launch Micro Age Europe, a network of personal computer and software retail outlets in Italy, France, Britain and West Germany.

INVESTOR OFFERS \$23 A SHARE TO EXPAND 14% HOLDING

Jacobs bids for Pioneer energy

BY PAUL TAYLOR IN NEW YORK

MR IRWIN JACOBS, the Minneapolis-based investor, yesterday offered to acquire Pioneer, an energy exploration and production group based in Amarillo, Texas, for \$23 a share in cash, or a total of about \$750m.

vestment vehicle, proposing a cash merger or business combination.

The oil, natural gas and uranium group, said it was reviewing the proposal with its financial and legal advisers and would call a special directors' meeting to consider the bid.

number of conditions and that its board would meet to consider it.

Takeover of Tara may lead to revived offer for Bula Mines

BY HUGH CARMICHAEL IN DUBLIN

THE takeover of Tara Exploration and Development by Finland's Outokumpu mining group is the latest twist in a turbulent 18-month struggle over Europe's largest lead and zinc deposit, situated at Navan in the Irish Republic.

ship Tara and without ever producing any ore.

received responses from interested companies. But those understood not to include Outokumpu.

Hafslund sharply up on year

BY FAY GJESTER IN OSLO

NORWAY'S Hafslund group, involved in ferro-alloys, hydro power, engineering and - since its acquisition of Actinor - pharmaceuticals, sharply increased turnover and profits last year.

Beatrice approves new offer

By Our Financial Staff

DIRECTORS of Beatrice Companies, the US food and consumer products group have accepted a modified \$8.2bn leveraged buyout offer from Kohlberg, Kravis Roberts, the US acquisition specialists.

FN fails to pull out of loss

BY PAUL CHEESBRIGHT IN BRUSSELS

FABRIQUE Nationale Herstal (FN), the Belgian arms and aeronautics manufacturer, has failed to realise its expectation of a return to profit, but expects its final 1985 result to be close to breakeven.

French brewer to close plants

BY PAUL BETTS IN PARIS

SOCIÉTÉ Générale de Brasserie (Sogebra), France's second-largest beer producer which is 51 per cent owned by Heineken, plans to close four of its nine breweries this year and cut 530 out of a total of 2,800 jobs in an effort to reduce losses.

Goodyear down 10% in quarter

GOODYEAR Tire & Rubber, the world's biggest tyre company, expects to report fourth-quarter net earnings down about 10 per cent from the \$82.6m earned in the 1984 fourth quarter, AP-DJ reports from Akron, Ohio.

Banco Central profits edge above Pta 15bn

BY DAVID WHITE IN MADRID

BANCO CENTRAL, one of Spain's two largest commercial banks, has announced a modest increase of about 4 per cent in its 1985 net profit to Pta 15,060m (\$100m), after making substantial risk provisions of around Pta 300m.

UTA wins Air Zaire recovery bid

By Paul Betts in Paris

UTA, the French independent long-distance airline company specialising in routes to Africa and the Far East, has taken over the management of Air Zaire to try to return the troubled company to a sounder financial and commercial footing.

Interest rate confidence boosts IKB

BY JONATHAN CARR IN DÜSSELDORF

IKB, the West German bank, reports an "astounding" strong surge in demand for long-term credit from industrial customers in the last quarter of 1985.

Goodyear down 10% in quarter

GOODYEAR Tire & Rubber, the world's biggest tyre company, expects to report fourth-quarter net earnings down about 10 per cent from the \$82.6m earned in the 1984 fourth quarter, AP-DJ reports from Akron, Ohio.

Goodyear down 10% in quarter

GOODYEAR Tire & Rubber, the world's biggest tyre company, expects to report fourth-quarter net earnings down about 10 per cent from the \$82.6m earned in the 1984 fourth quarter, AP-DJ reports from Akron, Ohio.

National Bank of Hungary (Magyar Nemzeti Bank) U.S. \$100,000,000 Floating Rate Notes Due 2001 ISSUE PRICE 100 PER CENT. Daiwa Singapore Limited, BOT International (Singapore) Limited, The Development Bank of Singapore Ltd, First Chicago Asia Merchant Bank Limited, LTCB Asia Limited, Central-European International Bank Ltd, Dresdner (South East Asia) Limited, Goldman Sachs International Corp., New Japan Securities International (Hong Kong) Limited, The Nikko Securities Co. (Asia) Limited, Singapore Nomura Merchant Banking Limited, State Bank of India, Taiyo Kobe Finance Hongkong Limited, Westpac Banking Corporation.

Goodyear down 10% in quarter

GOODYEAR Tire & Rubber, the world's biggest tyre company, expects to report fourth-quarter net earnings down about 10 per cent from the \$82.6m earned in the 1984 fourth quarter, AP-DJ reports from Akron, Ohio.

Goodyear down 10% in quarter

GOODYEAR Tire & Rubber, the world's biggest tyre company, expects to report fourth-quarter net earnings down about 10 per cent from the \$82.6m earned in the 1984 fourth quarter, AP-DJ reports from Akron, Ohio.

Goodyear down 10% in quarter

GOODYEAR Tire & Rubber, the world's biggest tyre company, expects to report fourth-quarter net earnings down about 10 per cent from the \$82.6m earned in the 1984 fourth quarter, AP-DJ reports from Akron, Ohio.

INTL. COMPANIES & FINANCE

Norsk Data profits rise 55% to Nkr 360m

BY FAY GJESTER IN OSLO

NORSK DATA, the Norwegian computer group, increased pre-tax profits by 55 per cent last year, on the back of a 37 per cent rise in operating revenues, according to preliminary figures published yesterday.

The figures indicate Norsk Data's 1985 operating margin reached 18.5 per cent, 0.6 percentage points up from 1984. The company claims this gives it the highest profit margin of any mini-computer manufacturer for the third year running.

Pre-tax profits climbed to Nkr 360m (\$48.4m) from Nkr 230m, while operating revenues reached Nkr 1.88bn compared with Nkr 1.36bn in 1984. Operating profits rose to Nkr 310m, from Nkr 215m, and earnings per share reached Nkr 20.60, compared with Nkr 15.56 (based on the average number of shares in circulation).

The increases do not reflect acquisitions during 1985. In fact,

Norsk Data last year sold half its stake in a Swedish service company Sividata, now renamed Data Cent (DC). If the 1984 turnover figure is adjusted to take account of this, growth in sales from 1984 to 1985 was 46 per cent, not 37 per cent.

The company attributes the good results to its "competitive, end-user orientated systems." Orders booked last year were worth Nkr 1.85bn, 40 per cent more than in 1984. Expansion in European markets was particularly significant. The fact that the company's mini and super-mini computers can be used both for Cad/Cam and for office automation proved a strong selling point. Sales in France were boosted by the deal with Matra, the French electronics concern.

In Germany, 70 per cent of the increase in orders represented sales to new customers. In the UK, turnover, although still quite small, was up 80 per cent on 1984.

This notice complies with the requirements of the Council of The Stock Exchange. It does not constitute an offer of, or invitation to subscribe for or to purchase, any securities.



Republic of Italy

U.S. \$200,000,000

8 3/4 Per Cent Notes Due 1991

The following have agreed to subscribe or procure subscribers for the Notes:

Chemical Bank International Group

- | | |
|--|--|
| Algemene Bank Nederland N.V. | Arab Banking Corporation (ABC) |
| Arabian General Investment Corporation | Banca Commerciale Italiana |
| Banca Manusardi & Co. | Banca Nazionale del Lavoro |
| Banco di Napoli | Banco di Roma |
| BankAmerica Capital Markets Group | Banque Bruxelles Lambert S.A. |
| Banque Indosuez | Banque Nationale de Paris |
| Banque Paribas Capital Markets Limited | Baring Brothers & Co., Limited |
| CIBC Limited | Commerzbank Aktiengesellschaft |
| County Bank Limited | Crédit Commercial de France |
| Crédit Lyonnais | Dai-ichi Kangyo International Limited |
| Daiwa Europe Limited | Deutsche Bank Capital Markets Limited |
| Dresdner Bank Aktiengesellschaft | EBC Amro Bank Limited |
| Generale Bank | IBJ International Limited |
| Istituto Bancario San Paolo di Torino (London Branch) | Kuwait Asia Bank E.C. |
| Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) | Kuwait International Investment Company s.a.k. |
| The National Bank of Kuwait S.A.K. | LTCB International Limited |
| Orion Royal Bank Limited | Nomura International Limited |
| Shearson Lehman Brothers International | J. Henry Schroder Wagg & Co. Limited |
| Union Bank of Switzerland (Securities) Limited | Sumitomo Finance International |
| Wood Gundy Inc. | S.G. Warburg & Co. Ltd |
| | Yamaichi International (Europe) Limited |

Application has been made to the Council of The Stock Exchange for the Notes, to be issued at 100 per cent in bearer form in denominations of US\$10,000, to be admitted to the Official List. Interest will be payable annually in arrears on 4th March in each year commencing on 4th March, 1987.

Particulars relating to the Notes and the Republic are available in the Exel Statistical Service and copies may be obtained during normal business hours up to and including 8th February, 1988, from the Company Announcements Office of The Stock Exchange, London EC2, and up to and including 18th February, 1988, from:-

Cazenove & Co.
12 Tokenhouse Yard
London EC2R 7AN

Chemical Bank
180 Strand
London WC2R 1ET

4th February, 1988

Perstorp advances

BY DAVID BROWN IN STOCKHOLM

PERSTORP, the Swedish chemicals and plastics group, lifted its profits before extraordinary items, appropriations and taxes for the first four months of its fiscal year to SKr 125m (\$18.8m), an increase of 14 per cent on the same period a year earlier.

Sales climbed at the same rate, to SKr 1.28bn from SKr 1.12bn a year earlier.

Acquisitions improved sales considerably in the compounds and chemtech divisions, but turnover was stagnant in the electronics and biotech units.

During the period the group acquired La Bakelite, of France, a leading European producer of phenolic resins and compounds with annual sales of SKr 250m.

Coniston invests in NL

CONISTON Partners, a New York investment firm, has taken an 8.2 per cent stake in NL Industries, the big US oil service group, and says it will seek a restructuring or sale of the company. Our Financial Staff writes.

NL's shares closed at \$15 on Friday, valuing the company at \$930m. Coniston, however, believes NL's oilfield assets alone are worth at least \$1bn, even though that sector has been hard hit by the renewed fall in oil prices which has increased fears for weak earnings in 1988.

NL earned \$21m on revenues of \$1.42bn in 1985 after a 1984 loss of \$152.8m, incurred after a \$130m write-down, which included oil-related assets. NL had planned hopes of continued profits this year as its chemicals operations, but continuing drops in oil prices have put that in doubt.

Deutsche Siebe GmbH,

a subsidiary of Siebe plc, Windsor,

has acquired all the shares of

Deutsche Tecalemit GmbH.

The undersigned acted as financial adviser to Siebe plc.

SCHRODER, MUNCHMEYER, HENGST & CO.
Frankfurt · Hamburg · Düsseldorf · München · Offenbach · Stuttgart

Corporate Electronic Banking.
Hexagon. Put the power of the bank in your hands.

Corporate Electronic Banking

- ACCOUNTS
- INVESTMENTS
- DOCUMENTARY LETTERS OF CREDIT
- ELECTRONIC MESSAGE

HongkongBank's Hexagon corporate electronic banking system. It's a state-of-the-art system for six vital reasons.

1. Hexagon is powerful. The system offers wide-ranging services, from reporting simple account balances to up-to-the-minute foreign exchange rates. Hexagon communicates through the HongkongBank group's own global data network, giving you instant access to the group's vast resources of banking and information services around the world.
2. Hexagon is fast. Information is constantly updated. Hexagon reacts quickly to give you the edge.
3. Hexagon is friendly. The system is easy to use. Its simple screens are easy to read and easy to understand.
4. Hexagon is adaptable. It can be integrated easily into your existing management structure. Whatever your business, Hexagon offers your management full control. Any of your staff can be assigned to operate the system while the authorisation and supervisory functions remain firmly in the hands of your management.
5. Hexagon is secure. Full data scrambling, individual passwords, dual and multi-level authorisation and a range of other security features ensure safety and confidentiality for your company's finances.
6. Hexagon is compatible. Unlike other systems, Hexagon has been designed to run on a range of popular personal computers so that substantial investment in hardware is unnecessary.

The HongkongBank group is one of the world's major financial institutions, with over 1,200 offices in 53 countries.

To find out more about Hexagon and how it can help your company, contact the Hexagon Centre at: 99 Bishopsgate, London EC2P 2LA, United Kingdom. Tel: (01) 638-2366 or your nearest branch of the HongkongBank group.

Hexagon.
Puts the power of the bank
in your hands.

HongkongBank
The Hongkong and Shanghai Banking Corporation

Merita National Bank • Hongkong Bank of Canada • The British Bank of the Middle East
Hong Sang Bank Limited • Wacoy Bank Limited
HongkongBank Limited

CONSOLIDATED ASSETS AT 31 DECEMBER 1984
EXCEEDED US\$61 BILLION.

INTERNATIONAL COMPANIES and FINANCE

BATTLE MOUNTAIN PROJECT

Gold production plan at Pajingo

BY KENNETH MARSTON, MINING EDITOR

BATTLE MOUNTAIN Gold, the US mining company spun off from Peapack in August last year, is considering taking the big Australian Pajingo gold discovery in Queensland to production on the basis of an annual gold output of 70,000 oz to 80,000 oz.

Mr Douglas Bourne, chairman of Battle Mountain, said that, given a satisfactory outcome to a feasibility study just started, and suitable arrangements with the Australian Foreign Investment Review Board, "the company will proceed with development" of the open-pit project.

Battle Mountain has defined indicated ore reserves at the Japet A sector of the Pajingo property as lying within 115 metres of surface and are put at 1.4m tonnes grading, a good average value of 12.6 grammes per tonne gold and 40 grammes silver.

Preliminary metallurgical testing indicates straightforward low-cost processing, says Mr Bourne. No pre-mining strip-ping would be required and the overall stripping ratio would be less than 15:1.

Additional test drilling is planned for the Janet B zone, some 800 metres to the south-west. Five other areas, including lateral and at-depth extensions of the Janet A lode zone, are scheduled for detailed follow-up.

The company also owns the

third largest gold mine in the US, the Fortitude property near Battle Mountain, Nevada. Recoverable reserves at this low-cost operation were estimated last July at 1.6m oz gold and 3.5m oz silver. These figures are expected to be upgraded later this month.

Full-scale mining at Fortitude began in late 1984. Operating costs last year equalled \$225 per ounce of gold and Mr Bourne says that Battle Mountain's profits for the 1985 fourth quarter amount to some \$4m (£2.86m), making an estimated \$16m, or 37 cents per share, for the company's first year.

Philip Dodge is the operator of the project with a 49 per cent stake. Etibank the Turkish state-owned company holds 45 per cent while the remaining 6 per cent is owned by Gama Endustri Tesisleri Imalat Ve Montaj, a private Turkish concern.

Net profit soars 350% at FAI Insurances

By Terry Povey

FAI INSURANCES, the aggressive Australian general insurer and investment company, has reported a net profit of A\$60.22m (US\$43m), more than 350 per cent above the A\$12.16m made in the first half of the previous year.

In the past week FAI has taken a 10 per cent stake, worth A\$100m, in Pioneer Concrete, one of Australia's largest industrial companies.

Most of the sharply increased profits came from the realization of gains on FAI's share portfolio. A holding in retailer Myers was sold for A\$27m gross and a 20 per cent stake in Offshore Oil was sold at a profit of A\$55m—an 11 per cent holding in Offshore has been retained. Further investment gains brought the total income from this area of activity up to A\$69.2m.

Insurance underwriting profits were up almost 28 per cent to A\$14.6m on premium income (net of reinsurance) of A\$131m. Overheads were 12.19 per cent of net premium income—down from 12.92 per cent previously.

Tax for the six months to December took A\$16.38m compared with A\$1.8m.

An interim dividend of 2.5 cents (against 2 cents) has been declared. Shareholders have the option of receiving shares in lieu of the payment as usual. The dividend is being paid on earnings per share of 60.52 cents, up from 16.1 cents previously.

Citibank syndicate seeks Galadari Group guardian

BY ANGELA DIXON IN DUBAI

A SYNDICATE of creditors led by Citibank has requested the Dubai courts to appoint a guardian to manage the assets of the Galadari Group, headed by the two brothers who are prominent Emirates traders.

Claims for more than Dh 250m (\$68m) in outstanding loans were filed by the group, which also includes American Express, Chase Manhattan, Credit Suisse, Gulf International Bank, Lloyds Bank and Royal Bank of Canada. The syndicate was formed in April 1984, in order to restructure certain loans made to the Galadari Group by the banks concerned.

Last week Bankers Trust filed claims amounting to some Dh 10m against General Development and Trading Company, the Galadari Brothers group, and their owners, the brothers Mr Abdul Rahim Galadari and Mr Abdul Latif Galadari.

Prior to that, Dubai Bank, the largest bank creditor, had filed claims amounting to more than Dh 360m, and the total now filed by creditor banks is estimated to be in excess of Dh 800m. The claims are scheduled to be heard in the Dubai court on Saturday.

Bankers Trust also applied for an attachment against the Intercontinental Hotel and Plaza Apartments, although a Galadari Group official said the court had not brought into effect any such order. Requests for the freezing of other assets are at present before the court.

The syndicate holds a mortgage on the Dubai Intercontinental and the Plaza. It has requested an attachment order on the same assets as those listed by Dubai Bank, which do not include the hotel. Further claims have been separately filed since Saturday by Citibank itself, amounting to Dh 52m and American Express, in respect of loans not included in the syndicate. It is expected that at least one other bank in the syndicate will also file claims for such unsecured loans.

Under existing Dubai law it is not possible to file for bankruptcy. This would require a decree by the ruler, but so far the Government has shown no inclination to get involved in the affair.

However, the appointment of a guardian would, if granted, help to achieve what creditors would prefer—namely the continuation of the Galadari businesses, but under different management.

The Galadari Group are franchisees, among others, Mazda, Buick and Isuzu vehicles, Baskin Robbins ice cream and Canadian Pacific Airlines. Other companies in the group are those which manage the hotel and apartments, as well as the Khaleej Times newspaper and a property company.

Higher shipments boost Queensland Coal Trust

BY LACHLAN DRUMMOND IN SYDNEY

QUEENSLAND Coal Trust has reaped the benefit of higher coking coal shipments and the weaker Australian dollar, with net profits totalling A\$108.4m (US\$77.4m) for 1985.

The trust has a 21.75 per cent stake in the joint ventures formed to take over the Utah and BHP coal mines in central Queensland. It was floated in April 1984, so 1985 represents its first full year.

The final six months produced earnings of A\$61.4m, which compares with A\$29.3m in the establishment phase to December 1984 and A\$46.9m in the six months to June.

Total revenues from coal were A\$161m in the final six months of 1985, compared with A\$147m

Half-year earnings up 21% at Rothmans of Australia

BY OUR SYDNEY CORRESPONDENT

ROTHMANS HOLDINGS, the Australian tobacco and confectionery group, lifted net earnings 21.2 per cent to A\$25.57m (US\$18.3m) in the half-year to December.

The result includes a first-time contribution of A\$2.2m from Allen's Confectionery, the sweets group taken over in July 1. Allen's earned A\$1.6m in the corresponding period of 1984.

Total sales at Rothmans climbed 29 per cent to A\$453m and the directors said there had been some growth in overall cigarette industry sales volume.

Rothman's own tobacco operation had maintained its profit volume and improved its sales performance in the face of intensifying competition, they added. Costs had been contained and worthwhile efficiency gains generated.

Profits from Papua New Guinea were higher despite a decrease in volume.

The confectionery business increased volume and market share while the group won better trading results from its Dunhill retailing operation and Cartier wholesale and retail interests.

The net profit took in A\$2.9m of investment income compared with A\$3.3m.

The interim dividend is up from 11 cents a share to 14 cents, paid from earnings per share of 52.5 cents compared with 49.3 cents.

UMW loan rescheduling agreed

BY WONG SULONG IN KUALA LUMPUR

UNITED MOTOR WORKS (UMW), the financially troubled Malaysian industrial group, has reached agreement with its creditor banks on a loan rescheduling package which will ease the group's interest burden.

The rescue package signed yesterday provides for:

- The rescheduling of principal repayments of 182m Ringgit (\$75m) in overdue loans. A payment of 75m Ringgit is to be made by the end of this month and another 52m Ringgit by the end of July.
- If these two payments are met, a review of the group's operating results and financial requirements would then be made, in order to set a due date for the remaining 52m Ringgit.
- The sale by UMW of its assets and businesses not central to the group's core business, which involves heavy equipment, car distribution, engineering and manufacture of automotive components.
- Japanese suppliers of heavy

equipment to UMW, principally Komatsu, taking back some 20m Ringgit worth of excess stock on to their own books, and extending further credit lines.

• Increased efforts by UMW in debt collection.

According to Mr Shiew Wan Shing, UMW's managing director, the sale of assets, including a 4,000 acre cocoa plantation, repossession of excess stocks by its Japanese principals and better debt collection is expected to generate 150m Ringgit.

Trafalgar House

U.S. \$100,000,000

10% per cent. Notes due 1992

Final Instalment of 75 per cent due on 14th February, 1986

Notice is hereby given that the final instalment of 75 per cent of the principal amount of the Notes is due on, and for value, not later than 10.00 a.m. (New York time) 14th February, 1986. Persons shown on the respective records of CEDEL S.A. and the Euro-clear System as being entitled to the Notes may instruct CEDEL and Euro-clear to debit their respective accounts at CEDEL or, as the case may be, Euro-clear with the final instalment on their Notes and to credit, value 14th February, 1986, the same to Barclays Bank PLC, 100 Water Street, New York, NY 10005, account number 050-77370-4.

After 28th February, 1986, Trafalgar House Public Limited Company may elect (without giving published notice) to forfeit any Note in respect of which the final instalment shall not have been duly paid whereupon Trafalgar House Public Limited Company shall be entitled to retain the first instalment on such Notes and shall be discharged from any obligation to repay such instalment or to pay interest for any period, but shall have no other rights against any holder whose rights are so forfeited, or against any previous holders.

4th February, 1986

Lifegro to go public through R32.5m issue

By Jim Jones in Johannesburg

LIFEGRO, the South African life insurer which began business in 1981 as a branch of Legal and General Assurance Society, is to go public through a R32.5m (\$14.3m) issue of new shares.

Legal and General, the British parent, sold 70 per cent of its South African offshoot to three closely linked South African companies—Volkscas, Rembrandt and Momentum Life Assurance—in 1979 and the residual 30 per cent in the latter part of 1985. The company's name was changed to Lifegro from Legal and General Volkscas.

The public and policyholders are to be offered 11.8m new shares in Lifegro at 285 cents a share. In addition Volkscas is to sell from its own holdings 11.8m shares at the same price. The flotation will lift Lifegro's issued capital to 52m shares and leave Rembrandt, Volkscas and Momentum Life as joint controlling shareholders with 50.4 per cent of the equity.

We are pleased to announce that

EDWARD J. ABRAMS

EMMA W. HILL

PAUL J. LINDENAUER

JAY L. MANAS

NANCY S. MARSHALL

ROBERT F. POH

MITCHELL I. QUAIN

MARK J. SEBBA
London

have become Special Partners of our firm.

WERTHEIM & Co.

January 1, 1986

This announcement appears as a matter of record only.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

has publicly issued

\$500,000,000

Zero Coupon Bonds of 1986, Due 2002-2016

Serial Zero Coupon Bonds Due Annually February 15, 2002—February 15, 2016

and

U.S. \$200,000,000

10% U.S. Dollar Notes of 1985, Due February 15, 2001

and has purchased

\$200,000,000

Zero Coupon U.S. Treasury Securities Maturing February 15, 2001

These transactions were initiated and executed by

Shearson Lehman Brothers Inc.

and its subsidiary

Shearson Lehman Brothers International

December, 1985

INTERNATIONAL COMPANIES and FINANCE

Ecu loans for Japan's state entities

BY JUREK MARTIN, FAR EAST EDITOR, IN TOKYO

JAPAN'S Ministry of Finance (MoF) is understood to have told the European Commission that it has no inherent objection to allowing Japanese state entities to raise loans in European Currency Units (Ecu) in the 1987-88 fiscal year.

Ecu officials here have welcomed the MoF's move as an indication of the growing use of the Ecu as an international and reserve currency. They hope it will also lead to serious talks between the EEC and Japan, and perhaps with the US, over the appropriate relationship between the Ecu and the yen and, by extension, the dollar.

Until now, the Ecu has not been among the currencies specified by the MoF for use in the international fund raising operations of Japanese state entities. There are currently 12 such entities authorised to raise international finance under the MoF's general auspices, ranging from the Japan Development Bank and Japan National Railways to regional development authorities in Hokkaido and Okinawa.

What the MoF has done is to advise the EEC and those financial institutions in Tokyo with which it works closely to go out and impress on the state bodies that it has no inherent objection to allowing Japanese state entities to raise loans in European Currency Units (Ecu) in the 1987-88 fiscal year.

Suez group share offer 300 times subscribed

By David Marsh in Paris

THE French Government's sale yesterday of rights to subscribe to a capital increase by Compagnie Financière de Suez, the nationalised industrial and financial holding group, was oversubscribed by around 300 times.

Eurobond investor interest turns to non-dollar sectors

BY MAGGIE URRY

THE EURODOLLAR bond market is paralysed ahead of the US quarterly refunding auction and got no lead yesterday from the New York market's opening. Prices were hardly changed in quiet trading, and no new dollar issues were launched.

Instead, interest turned to other currency sectors, with issues coming in Canadian and Australian dollars as well as continental currencies. The State Bank of New South Wales took the "harmless" warrant structure into the Euro-Australian dollar bond market with a \$450m issue carrying \$0.000 warrants. The bond has a seven-year life and a 14 1/2 per cent coupon with a 100:1 issue price. It is non-callable for four years and then callable at 101 1/2 with prices declining annually by 1/2 point.

The warrants, priced at \$440, cannot be exercised while the bond is non-callable. But during this time they will receive interest at ASB 8 per cent giving a 14 1/2 per cent running yield. After that they can be exercised into a non-callable bond with the same maturity and coupon as per. If they are exercised by the maturity date they will be redeemed at AS20.

Broader spread for NZ refinanced debt

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND has launched a programme to refinance a large part of its overseas debt and restructure its borrowing. The move will take advantage of lower interest rates in the US to save New Zealand millions of dollars, says Mr Roger Douglas, the Finance Minister.

Government and reserve bank stands at NZ\$15.1bn. It was automatically boosted by the 20 per cent devaluation of the NZ dollar in July 1984. Many of the planned repayments are of maturing loans but there will also be early repayments of some loans otherwise not due until later.

Labour Government is to try to negotiate longer periods at better interest rates. Following the review, the government prepared a programme of debt management with four main objectives—to reduce debt servicing costs, to adjust the mix of currencies in which overseas debt is held, to negotiate longer maturity periods and to diversify the overall balance of existing debt.

Since further US dollar debt will be raised to refinance that maturing. The first tranche of the US dollar debt to be issued to a value of US\$100m under a note issuance facility put in place in 1984.

Advertisement for Samsung Electronics Co., Ltd. featuring the Samsung logo and text: 'All these securities having been sold, this announcement appears as a matter of record only.' 'Samsung Electronics Co., Ltd. U.S. \$20,000,000 5 per cent. Convertible Bonds 2000 Issue price 100 per cent.'

ECP programme for Credit National

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

CREDIT NATIONAL, the French state financing concern, has appointed Banque Indosuez as agent for a new Euro-commercial paper (ECP) programme.

FT International Bond Service

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on February 3.

Table with columns for US DOLLAR STRAIGHTS, OTHER STRAIGHTS, and CONVERTIBLE BONDS. Lists various bond issues with their respective prices and yields.

DOMESTIC BOND MARKETS

Tokyo prices close mixed

JAPANESE Government bond prices closed mixed on domestic volume. In over-the-counter trading, the yield on the newly emerging benchmark No 80 6.5 per cent issue, was unchanged from Friday yielding 6.58 per cent.

Zurich steady in light volume

IN ZURICH, Swiss bonds finished steady in light volume, with some firming as much as 0.50 points and others easing by the same margin as the market paused after Friday's late firming trend.

YER STRAIGHTS

The prices over the past week were supplied by Kreditanstalt für Währungsangelegenheiten AG, Deutsche Bank AG, Westdeutsche Landesbank Girozentrale, S.A., Banque Internationale Luxembourg, Kredietbank Luxembourg, Algemeene Bank Nederland NV, Fininvest Holding and Payment Office, S.A., Credit Bank Alrayed and Smithers, Bank of Tokyo International, Commercial Bank International, Chase Manhattan, Citicorp International Bank, Credit Commercial de France, C.I.

CONVERTIBLE BONDS

Abn-Amro 3 2000 0-6 92.12 92.19 10/1 11%
Amst 3 2000 0-6 92.12 92.19 10/1 11%
Bankers Trust 3 2000 0-6 92.12 92.19 10/1 11%
BFC 3 2000 0-6 92.12 92.19 10/1 11%
BNP 3 2000 0-6 92.12 92.19 10/1 11%
Bulfinch 3 2000 0-6 92.12 92.19 10/1 11%
CIBC 3 2000 0-6 92.12 92.19 10/1 11%
Cham Man 3 2000 0-6 92.12 92.19 10/1 11%
Citicorp 3 2000 0-6 92.12 92.19 10/1 11%
Credit Lyonnais 3 2000 0-6 92.12 92.19 10/1 11%
EBS 3 2000 0-6 92.12 92.19 10/1 11%
EnBW 3 2000 0-6 92.12 92.19 10/1 11%
Lloyds Bank 3 2000 0-6 92.12 92.19 10/1 11%
Mitsubishi 3 2000 0-6 92.12 92.19 10/1 11%
Nippon 3 2000 0-6 92.12 92.19 10/1 11%
Royal Ind 3 2000 0-6 92.12 92.19 10/1 11%
Santander 3 2000 0-6 92.12 92.19 10/1 11%
Societe Generale 3 2000 0-6 92.12 92.19 10/1 11%
Tatsumi 3 2000 0-6 92.12 92.19 10/1 11%
Wells Fargo 3 2000 0-6 92.12 92.19 10/1 11%

INTERNATIONAL COMPANIES and FINANCE

Canada Trust meets big banks head on

BY BERNARD SIMON IN TORONTO

CANADA TRUST last month became the first Canadian financial institution to make a credible claim that it was a serious rival to the country's big six banks.

The merger on January 1 between Canada Trust and Canada Permanent, the country's fourth largest trust group, created a combined administrative assets of C\$48bn (US\$30.4bn), almost double the assets of National Bank, the sixth largest bank.

If Canada Trust's impact on the market-place could be measured only in terms of size, the banks might not have much to worry about. But this trust and two or three of its trust company counterparts can justifiably lay claim to being competitors in many of the changes sweeping through Canada's financial services industry.

Objecting to "a situation where equals compete on unequal terms," Mr William Mulholland, chairman of Bank of Montreal, told the bank's recent annual meeting that the trust companies "can do what we do. But we cannot do what they do. They can be a bank, but we cannot be a trust company."

Regulated by the Federal Bank Act, the banks are barred from fiduciary business such as trust and estate administration. No single shareholder may own more than 10 per cent of a bank's equity, thereby allowing the banks to forge only the loosest alliances with other financial services companies.

The provincially regulated trusts have no such restrictions. Their business is still heavily dependent on home mortgages and fiduciary services. But as the banks have become a major force in the mortgage market, the trusts have diversified into the banking field.

They offer a bewildering variety of deposit accounts, including cheque accounts, pass Visa and American Express credit cards, and finance motor vehicle purchases. Their corporate financial services have expanded to include term loans, guarantees and foreign exchange arrangements.

One of the few curbs on the trusts is a limit of 7 per cent on their commercial loan business as a proportion of total assets. But even this is likely to be changed soon.

The services which the trusts themselves provide do not reflect their full reach. As a result of a series of mergers and takeovers in the past two years, the four biggest trust companies have not only grown substantially but have all become part of diversified and aggressive financial conglomerates.

Canada Trust, based in London, Ontario, was acquired last year by Genstar, the Vancouver financial services and industrial group, which bought control of Canada Permanent in 1981. Genstar's other activities include container leasing, commercial real estate and venture capital.

Mr Mervyn Lahn, chief executive of Canada Trust, is widely regarded as one of Canada's most astute managers. Possibly alone among Canadian companies, the trust publishes detailed financial statements every month.

Royal Trust, with assets of C\$2.1bn, is a subsidiary of Trilon Financial, a company controlled by the Toronto branch of the Bronfman family. Royal Trust's major shareholders also control London Life, a leading life insurer; Wellington Insurance, a property and casualty underwriter; and Hees International, the closest Canadian equivalent to a British merchant bank.

Royal Trust itself has a 51 per cent interest in Royal LePage, Canada's largest real estate services company.

The range of services it can provide either itself or through its sister companies, is remarkably wide. Among them are the selection of factory or office sites, building insurance, employee benefit and pension plans, group life and health insurance, inventory financing, share transfer arrangements, cheque accounts and car leasing.

Mr Michael Cornelissen, Royal Trust's president, says that "our dream is that corporate treasurers wanting to do business in Canada will say: 'It would be a mistake not to call on Royal Trust first.'"

Mr Cornelissen is looking for other "magic moments," as he calls them, where a customer's demand for one service, such as a house purchase, will give the trust and its associate companies an opening to market other products like a mortgage, home insurance and perhaps a savings account.

Less visibly but no less significantly, Royal Trust is signing its computer facilities with other companies in the Trilon Group.

Royal Trust lifted net income by almost one-third last year to C\$112m (US\$70m) or C\$1.66 a share, from C\$85m or C\$1.60 in 1984. Total assets under administration at year-end rose from C\$48.8m to C\$57bn. The trust's return on average corporate assets was 6.2 per cent, higher than any of Canada's major banks.

The increase in earnings was ascribed to growth in mortgages, corporate and consumer loans and securities "at attractive spreads."

Investment income rose by 14 per cent to C\$ 1.38bn, while fees and commissions—excluding income from the real estate services division—more than doubled to C\$ 66m.

Mr Terry Shaunessy, financial services analyst at Merrill Lynch Canada, forecasts that both Montreal Trust and Royal Trust will push up earnings by 10-11 per cent this year, compared with an average of 9 per cent for the banks. The banks' growth is predicted mainly on stronger overall loan demand.

Recent proposals by Federal and provincial governments to deregulate the financial services industry have been further grist to the trust companies' mill.

These and other proposals are all on ice pending investigations into the collapse of two Alberta banks last year. The trust companies can probably afford to shrug off the delays. Recent events have shown that, unlike the banks, they do not need any significant changes in the law to pursue their aggressive diversification plans.

As Mr Mulholland of Bank of Montreal put it: "Their field is open."

Despite Canada Trust's self-congratulatory advertisements, the trust companies still lag behind the banks in several important respects. Their branch network is much smaller. Canada Trust has only 300 branches, less than a quarter of the number of Royal Bank of Canada. National Trust has no branches at all in the Atlantic provinces, though it is thinking of opening one in Halifax.

While the Canadian banks have extensive international operations, only Royal Trust among the trust companies has significant interests outside Canada. Its London banking arm acquired a small insurance brokerage in 1984.

These apparent shortcomings also have some important advantages. The trusts' relatively modest branch networks help hold down expenses. Without the banks' international exposure, the trusts have also avoided the banks' Third World debt problems, including the need to set aside large provisions for non-performing loans.

These benefits are reflected in the trust's financial performance. Royal Bank of Canada, the largest bank, lifted earnings by 8.4 per cent in the year to October 31 while at Canada Trust income jumped by 15 per cent.



Mr William Mulholland, Bank of Montreal chief

Japan, currently the world's largest capital exporter, is also becoming one of the largest global property owners. The trend is particularly evident in the US, where the Department of Commerce estimates that Japanese investors last year spent \$1.2bn on real estate—almost double the 1984 figure.

The pioneer has been Mitsui Real Estate Development, which is the biggest Japanese property company and co-owns Tokyo Disneyland. Nearly ¥100bn (\$815.5m), 10 per cent of its total assets, are in overseas property, and most of this is in the US. Among Mitsui's acquisitions are the 42-storey AT & T Centre in Los Angeles, jointly owned with Dai-ichi Life Insurance; the Madison Avenue Hotel in New York; and the 500-room Halekulani Hotel in Hawaii.

In addition, the company owns several industrial parks on the West coast, as well as eight hectares (20 acres) of land in Los Angeles. Last year Mitsui added a \$50m office block in Chicago, and a site opposite the New York City Library where construction of a 29-storey office block is due to start this year.

In the past year or so, the trend which started with large developers and cash-rich life insurance companies has spread to airlines, trading houses and small entrepreneurs. "Even a corn syrup company is buying property in the States," said Mr Hajime Tanaka of Dai-ichi Life Insurance's overseas property division.

Last year, Japan Air Lines bought the 815-room Essex House hotel in New York and began constructing another Chicago hotel costing \$80m.

The US tax system, moreover, permits a depreciation life for property which is nearly a quarter of that in Japan, where it is 65 years. This means a faster return on investment.

In December Dai-ichi Life Insurance invested \$100m in a half share of a newly built Citicorp centre in San Francisco. Dai-ichi is one of the six major life insurance companies which are allowed by the MoF to invest in overseas property, and they are acting vigorously.

The previous year Dai-ichi made acquisitions in Baltimore and in Dallas, and its total US assets stand at some \$250m.

Diversification of asset base is one reason for these moves, and has the motivation for the MoF to grant permission. But the more pressing reasons are their snowballing funds and limited investment opportunities at home. Life insurance companies' revenues are increasing by 14 per cent annually, according to Mr Tanaka. But cash-rich Japanese industry is in no need of the loans which once formed a large part of their business.

Ideally, insurance companies want to purchase more US securities but the MoF limits this to 10 per cent of their total funds. Overseas property is thus their best alternative. Dai-ichi's funds in the year to March are estimated to increase by \$4.2bn. The company plans to allocate 3 per cent of this to real estate, probably in the US.

Despite the rapid growth, the investments made so far form a small fraction of the potential demand, says Mr Mayumi Oda of Mitsui Real Estate Sales. A lack of the expertise necessary to analyse the complex US market is making Japanese investors over-cautious, he adds: a view which is echoed by other analysts. But the new players are learning fast, experimenting with new methods of financing and developments. As Morgan Stanley's Mr Grey put it: "Above all, the Japanese have the cash and the desire to invest."

Japanese cash chases high yields on US property

BY NOBUKO HARA IN TOKYO

Trust banks, which manage Japan's lucrative pension funds, are eagerly waiting for Ministry of Finance (MoF) permission to enter the market. At least three of them have already formed tie-ups with US companies which can offer expertise in property investment.

The main attraction of the US market is a high cash-on-cash yield. Land prices in the prime districts of central Tokyo have risen so high—as much as ¥30m per square metre—that returns in the first years are often less than 2 per cent. In the US 8 per cent is regarded as average, and 15 per cent is not beyond reach.

In addition, the US market is large and stable, offering a variety of properties to investors. "There is no market in Japan," says Mr Tim Grey of Morgan Stanley International. Centrally located office blocks rarely change hands in Japan, unless their owners are in financial trouble. In 1984, there were only two sales of any size in the Tokyo market, Mr Grey remembers. One involved a bankruptcy and the other was government owned.

The US tax system, moreover, permits a depreciation life for property which is nearly a quarter of that in Japan, where it is 65 years. This means a faster return on investment.

In December Dai-ichi Life Insurance invested \$100m in a half share of a newly built Citicorp centre in San Francisco. Dai-ichi is one of the six major life insurance companies which are allowed by the MoF to invest in overseas property, and they are acting vigorously.

The previous year Dai-ichi made acquisitions in Baltimore and in Dallas, and its total US assets stand at some \$250m.

Diversification of asset base is one reason for these moves, and has the motivation for the MoF to grant permission. But the more pressing reasons are their snowballing funds and limited investment opportunities at home. Life insurance companies' revenues are increasing by 14 per cent annually, according to Mr Tanaka. But cash-rich Japanese industry is in no need of the loans which once formed a large part of their business.

Ideally, insurance companies want to purchase more US securities but the MoF limits this to 10 per cent of their total funds. Overseas property is thus their best alternative. Dai-ichi's funds in the year to March are estimated to increase by \$4.2bn. The company plans to allocate 3 per cent of this to real estate, probably in the US.

Despite the rapid growth, the investments made so far form a small fraction of the potential demand, says Mr Mayumi Oda of Mitsui Real Estate Sales. A lack of the expertise necessary to analyse the complex US market is making Japanese investors over-cautious, he adds: a view which is echoed by other analysts. But the new players are learning fast, experimenting with new methods of financing and developments. As Morgan Stanley's Mr Grey put it: "Above all, the Japanese have the cash and the desire to invest."

Ideally, insurance companies want to purchase more US securities but the MoF limits this to 10 per cent of their total funds. Overseas property is thus their best alternative. Dai-ichi's funds in the year to March are estimated to increase by \$4.2bn. The company plans to allocate 3 per cent of this to real estate, probably in the US.

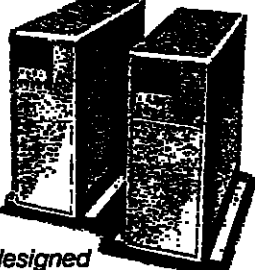
Despite the rapid growth, the investments made so far form a small fraction of the potential demand, says Mr Mayumi Oda of Mitsui Real Estate Sales. A lack of the expertise necessary to analyse the complex US market is making Japanese investors over-cautious, he adds: a view which is echoed by other analysts. But the new players are learning fast, experimenting with new methods of financing and developments. As Morgan Stanley's Mr Grey put it: "Above all, the Japanese have the cash and the desire to invest."

NORTH AMERICAN QUARTERLIES

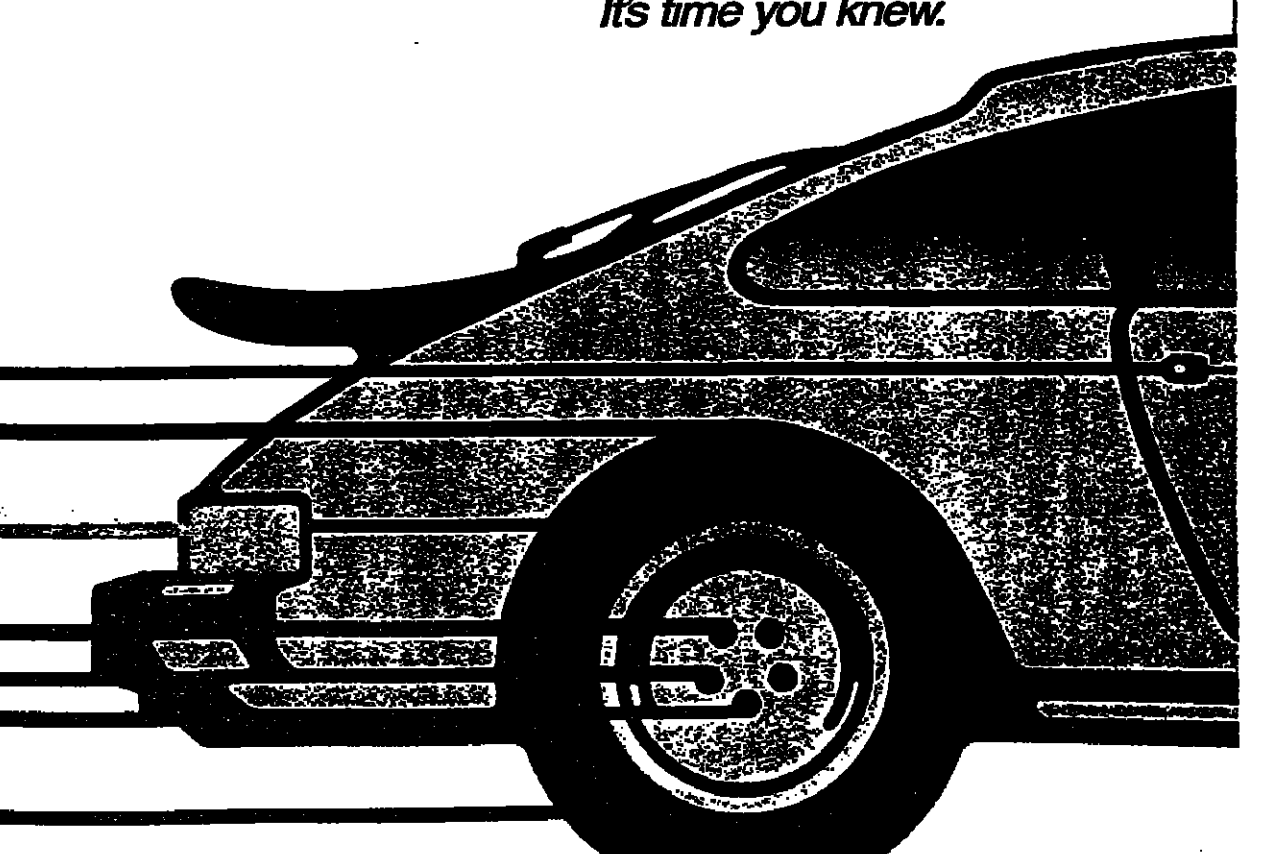
Table with financial data for various companies including CARLING O'KEEFE, R. S. DONNELLEY AND SONS, POTLATCH, CHUBB Insurance, and BOTTREMAN. Columns show revenue, net profit, and net per share for different quarters and years.

Introducing departmental computers designed to put you ahead.

It seems the pace of business is accelerating every day. Which is why you should look at the newest departmental systems from Prime Computer—the 2350™ and 2450™ computers. They're designed to keep up with your changing business needs. And to help you stay ahead of your competition.



Here's another thing that won't take you long: finding room in your budget. We'll show you how you can have a powerful departmental system at a cost per user that's less than most PCs. Growth is fast and easy too, because these new systems are just part of a broad family of totally compatible Prime™ computers that can run a department, a division, or a whole company.



PRIME is a registered trademark, and the Prime logo, 2350 and 2450 are trademarks of Prime Computer, Inc., Natick, Massachusetts.

UK COMPANY NEWS

BICC's two year pension holiday

BY ERIC SHORT
BICC, the cable and wire-maker, is taking a two-year contribution holiday in 1986 and 1987 from payments into its company pension scheme.

Hawley expands in travel with £4m golf deal

By David Goodhart
The Hawley Group, the service industry company headed by Mr Michael Ashcroft, has expanded its travel interests through the acquisition of World Golf Management for just under £4m (£37.2m).

Wadkin accepts Robinson's £9m

BY LIONEL BARBER
THE NEW management team at Thomas Robinson, the Rochdale-based engineering and machine-maker, yesterday made their first significant acquisition with an agreed £9.3m bid for Wadkin, a machine tool and woodworking machinery manufacturer which operates from Leicester.

Thomson lifts stake in NSS

D. C. Thomson, the Dundee-based publisher of the Dundee Daily and a range of provincial newspapers, has doubled the size of its stake in NSS Newsagents to more than 10 per cent.

Low response to Weir's opening bid

Weir Group, the engineering company which has launched a takeover bid for its Glasgow neighbour Yarrow, won acceptance for its original bid from the holders of 0.14 per cent of Yarrow's shares.

Ladbroke plans move into local newspapers

By Raymond Shaddy
Ladbroke Group is planning to move into local newspaper publishing on a significant scale. The bookmaking, hotels and property concerns is expected to announce later this week that it is paying between £2m and £3m for a majority stake in Sentosa, a well-established publishing and printing group.

Guinness underwriting deal to face inquiry

BY DAVID GOODHART
THE INVESTMENT protection committee of the Association of British Insurers seems certain to consider the unusual underwriting deal in Guinness's agreed merger with Distillers when it meets next week.

Tesco sells Victor Value

Tesco, the supermarkets group, is to sell Victor Value, its high Street discount grocery business with 45 branches, to the Bejam group, the frozen foods and appliances retailers, in a deal worth more than £10.2m.

Whampton & Dudley sets new deadline

Whampton & Dudley Breweries said yesterday that it was extending the deadline for consideration of its bid proposals for Davenport, the Birmingham brewer, by the Bejam Charitable Trust which holds a 19.95 per cent stake in Davenport.

Bowling advances

Profit before tax at C. T. Bowling improved by 36 per cent from £24.8m to £33.7m in the year to December 31 1985. Operating revenue rose from £111.7m to £137.1m, a 23 per cent increase over 1984.

BSI agrees Marshall's terms for board places

BY MARTIN DICKSON
Marshall's to take control of Skelmerdale Packaging, by selling the deal at an EGM, Mr Bryan Morral, chairman of BSI, said he and Mr C. J. Shaw, his managing director, "intend to use our best endeavours to assist the directors to develop Johnson Matthey Group as a vehicle for the benefit of all shareholders."

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current Dividend, Date of Payment, Total Dividend, Total Payout.

BASE LENDING RATES

Table with columns: Bank Name, Lending Rate.

Granville & Co. Limited
Member of The National Association of Security Dealers and Investment Managers
8 Lovat Lane London EC3R 8SF Telephone 01-621 1212

Over-the-Counter Market
Table with columns: High/Low, Company Name, Price Change, Gross Yield, P/F, Fully Paid.

NOTICE OF PREPAYMENT
THE DAIWA BANK, LIMITED
(Incorporated in Japan)
US\$20,000,000
Callable Negotiable Floating Rate Dollar Certificates of Deposit

The Australian Industry Development Corporation
(A statutory corporation, wholly owned and guaranteed by the Commonwealth of Australia)
U.S. \$100,000,000
1 1/2% PER CENT, NOTES DUE 1996

The Champions
MIM
Investment Management is our business
Rarely does an investment team sweep the board but then MIM's investment managers are a rare blend of talents. As proof we have just been awarded the titles of:
BEST trust group
BEST large trust managers
BEST Far East unit trust
The awards were made by Money Observer based on our 1985 performance. One of our team has also received the What Investment award for the best specialist investment manager. With more than £3 billion under management we obviously know our business in international markets. Our team effort goes all the way through to our successful pension fund approach. Our private clients are celebrating too.
To find out more call Malcolm Callaghan

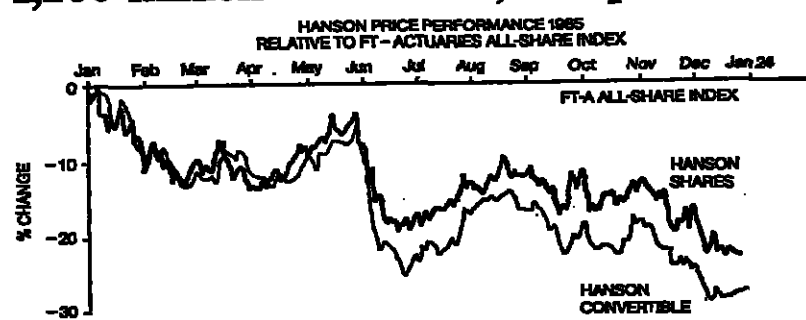
If you want to know what to do about Hanson's 'paper,' ask Hanson's shareholders.



Last summer, when Hanson Trust's shareholders were invited to take more Hanson paper via a rights issue, they gave it a resounding 'thumbs down'.

As well they might.

Since January 1985, Hanson has issued 1,200 million new shares, and plans to



issue hundreds of millions more in its bid to take over Imperial.

No wonder the market is appearing to be suffering from acute indigestion.

The future value of this paper is questionable, too, as it depends on a rate of growth which Hanson companies alone will find very difficult to sustain.

Almost all of Hanson's companies operate in declining industries - 77% of the 1985 operating profit came from them.

The choice of companies - bricks, shoes, textiles, and batteries amongst them - is clearly a commitment to industries in decline.

And the trading performance of the long-established Hanson businesses is largely pedestrian.

Hanson's growth rate can therefore only be sustained by 'buying' profit. It has to make more and more acquisitions; something that becomes increasingly difficult as each one needs to be bigger than the last.

What's more, in 1985 Hanson paper performed dismally, falling some 20% compared with the FT All-Share index.

Against this record, in the same year, Imperial shares outperformed the index by some 25%.

And since 1981, Imperial profits have more than doubled.

Behind Imperial shares is over £1.5 billion of shareholders' net assets, and famous brands such as Courage Best, Hofmeister, John Smith's Bitter, Ross, Golden Wonder, Lea & Perrins, John Player Special and Superkings.

We believe Hanson can bring no industrial or commercial advantages to us at all.

So if you want to know what to do about Hanson's offer, the answer is: Hands off.



UK COMPANY NEWS

£15m BES plan for pubs and shops

BY ALICE RAWTHORN

TWO NEW companies, Lockton Retail Stores, a group of leather furniture stores, and Lockton Text, a chain of "family" public houses, are seeking to raise £7.5m each under the Business Expansion Scheme. They are the largest single company issues under the scheme this year.

The issues have been sponsored, but not underwritten, by merchant bank Guinness Mahon, which sponsored last year's largest BES venture by raising £10m to launch Lockton Developments. The bank has since scooped about for suitable projects to sponsor under the Lockton name this year.

Lockton Retail Stores plans to run a chain of edge-of-town leather furniture stores throughout south London. These will be franchisees for Leatherland, which by opening almost 50 stores in mainland Europe over

the last five years, has become the world's largest leather furniture retailer.

Leatherland opened its first British store 18 months ago in north London. Once Lockton's initial five stores are established it can exercise options on a further 40 sites in towns throughout southern England.

The average turnover for a Leatherland store in Europe is just over £2m a year and the north London store claims sales of £160 per square foot, which is much higher than the average for the furniture sector.

Lockton Text proposes to create a chain of pubs in the south of England, each close to either the M25, M3, M4 or M5 motorways. Each will be a free-house and will aim to meet the demands of their individual locations, but also each will be

structured as "family" pubs with heavy emphasis on fresh food.

The company plans to open 25 pubs over the next two years. Turnover should vary between £50,000 and £200,000 a week for each unit. Six suitable freehold pub sites have already been identified and the company is looking for more.

Both companies plan to issue 7.5m shares at £1 each, although Lockton Retail Stores could start trading with a minimum issue of 1.5m shares and Lockton Text with just 1m shares. Both offers open on February 6 and close on March 15, so that investors can claim tax relief for the 1985-86 fiscal year.

The Lockton issues are part of a recent rush of Business Expansion Scheme ventures timed to surface before the end

of the fiscal year and before the March Budget, in which the Chancellor is expected to tighten scheme regulations, especially those relating to heavily asset-backed shares.

Over recent months the scheme has been heavily criticised, chiefly because too many projects have involved lucrative share options schemes for directors and because too few have fulfilled the Government's original intention of creating employment.

Guinness Mahon has structured both Lockton ventures to counter this criticism. In both issues directors must purchase shares on the same terms as ordinary investors and both should generate job opportunities with 10 to 11 people being employed in each pub or store.

Hanson's shares to be listed in New York

By Martin Dickson

HANSON TRUST, the aggressive industrial holding company bidding £15m for Imperial Group, yesterday announced plans for its shares to be listed on the New York Stock Exchange in the form of American Depositary Receipts (ADRs).

Under Sir Gordon White, head of its North American operations, Hanson has expanded rapidly over the past decade in the US, which now provides half its profits. Recent acquisitions include SCM, the chemicals-to-typewriter group, taken over last month, and US Industries, bought in 1984.

Sir Gordon said yesterday that a listing seemed appropriate, given the size of the group's US investments and numerous requests for information about Hanson from, among others, former shareholders of SCM and US Industries.

Only a small proportion of Hanson shares are held in the US where several banks offer "unsponsored" ADR facilities—that is, a facility to buy shares without the sponsorship of the company concerned.

Now, Hanson has retained Rothschild Inc in New York to advise on a sponsored ADR facility. Discussions have already taken place with the New York Stock Exchange, which would welcome a listing, Hanson said.

Sir Gordon said the listing was not being made with a view to a new issue of Hanson shares, but rather to develop an additional market for existing ones.

Meanwhile, a decision is expected shortly from the British Government on whether to refer to the Mesopotamia Commission the Hanson bid for Imperial, and Imperial's rival plan to merge with United Biscuits.

A merger between Imperial and United would give the combined group a major share of the UK snack foods market, which could provide grounds for a referral.

The Government has not made clear whether, if it refers the Imperial/United deal, it would also automatically refer the Hanson bid.

Office furniture helps Bullough to 22% rise

AFTER A relatively static interim result, Bullough, the Surrey-based engineer and furniture manufacturer, picked up in the second half and ended the year to October 31 1985 with pre-tax profits 22 per cent ahead at £12.37m.

The improvement was largely due to "another excellent performance" from the office furniture operation Project, said Mr Derrick Battle, managing director, and a rise from Hago Products, part of the special products division.

The Westwood and Business Aids acquisitions again did well, said Mr Battle, but George Barker, the refrigeration equipment division, was disappointing.

On the debit side, Beantalk and Elcom Systems, respectively

in retail and telecommunications equipment, incurred losses.

The final dividend of 3.5p, up from an adjusted 4.57p, is declared on capital increased by the year's £11.5m rights, bringing the total for the year to 8.2p (7.1p). Earnings per share are shown at 21.08p (18p).

Group turnover moved ahead from £88.57m to £103.37m, and after tax at £5.21m (£4.38m) net profits came out at £7.16m (£5.72m), of which £3.55m (£2.14m) was retained.

Comment

After a disheartening set of interim figures for Bullough analysts cut a large slice from full year forecasts, only to be caught well short of the mark. It seems that George Barker, the refrigeration subsidiary, had a stop-go year in which delays in M and S ordering patterns

during the first half were unwound towards the end of the second, producing a result that was much better than expected. If 1985 marked Bullough's first year of consolidation since 1982—with eps growth of only 17 per cent compared to its usual 30 per cent—1986 should see the company moving sharply forward again. The two tiny purchases of flooring companies made since year end have scarcely dented the rights proceeds, and an active search is in progress for a major acquisition. Even on the basis of existing activities, Bullough should make at least £1.5m this year with Beantalk due to wipe out last year's loss of £300,000, and with Elcom, the other trouble maker now sold. A prospective p/e of 9 on yesterday's price of 237p, up 15, takes little account of the company's track record.

Board shuffle as New Court profits fall

SHARPLY LOWER profits and further boardroom changes were announced by New Court Natural Resources yesterday.

Profits for the six months to end September fell to £219,000 pre-tax from £919,000 and the company is to have a new chairman from March.

New Court is quoted in the UK press as carrying out all its oil and gas exploration and production activities in the US.

In November a boardroom split led to the departure of both Mr David Haylar, the chairman, and Mr Grant Malmberg, deputy chairman and chief executive, of the company's sole oil and gas subsidiary, Murray Hill Oil and Gas. In a statement accompanying the interim results Mr A. F.

MacLeod Matthews, temporary chairman, said that a dispute with Mr Malmberg (who, like another former director, is also a member of the board of bankers N. M. Rothschild) is continuing. This concerns provisions in the former chief executive's employment contract relating to a luxury apartment in New York.

Following the departure of the two key members in November, the New Court board was bolstered by the appointment of Mr David Hooker and Mr George Gardiner. However, Lord Swann, another board member, resigned soon afterwards, leaving only two of the original seven-man board in place.

It has now been decided to

elect Mr Andrew Reynolds, formerly of Carless Capel and Leonard, as a part-time executive chairman from March.

In addition, Mr Jack Barton has been appointed chief executive of the operating subsidiary and a member of the board. He was last employed by Carless Capel.

New Court has also changed bankers from N. M. Rothschild to Hambros and is currently engaged in review of both US interests and head office costs.

The expense of the Avant development has had an adverse effect on the company's cash balances. According to Mr John Clark, a member of the board, "the current position is that of an overdraft of some £1m, whereas in March the company had £2m surplus in the bank."

Asked about prospects of finding a partner to buy a portion of the Avant water flood project, Mr Clark said: "I do not think that at this time we could get

a partner into Avant at terms sufficiently attractive to us."

The chairman also warns in his statement that "some significant provisions against the falling value of the group's properties is likely" at the year end in March due to the fall in oil and gas prices.

Oil production averaged 320 b/d (47,000 barrels) in the first half, some two-thirds was from North Avant in Oklahoma. Gas production fell from 256,000m cu ft to 154,000m cu ft. Average oil prices were almost \$2 lower at \$24.50 per barrel and gas was 13 cents lower at \$2.1 per million cubic feet. However, operating costs at Avant increased to \$10 per barrel in the half year.

On sales of £2m (£2.2m) the company, after allowing for expenses of £781,000 (£581,000) and depreciation and amortisation of £31,000 (£51,000) has reported gross profits of £700,000 (£1.17m).

Oil production averaged 320 b/d (47,000 barrels) in the first half, some two-thirds was from North Avant in Oklahoma. Gas production fell from 256,000m cu ft to 154,000m cu ft. Average oil prices were almost \$2 lower at \$24.50 per barrel and gas was 13 cents lower at \$2.1 per million cubic feet. However, operating costs at Avant increased to \$10 per barrel in the half year.

On sales of £2m (£2.2m) the company, after allowing for expenses of £781,000 (£581,000) and depreciation and amortisation of £31,000 (£51,000) has reported gross profits of £700,000 (£1.17m).

Bigger market share at Textured Jersey

THE OPENING six months for Textured Jersey saw profits rise by 88 per cent, product range continue to broaden and market share gain further ground.

On top of this the directors say sales to Marks and Spencer and its suppliers were particularly encouraging.

Turnover for the first six months (to October 31 1985) improved from £8.05m to £8.72m and at the pre-tax level profits pushed ahead by £218,000 to £233,000. And with earnings emerging 3.13p higher at 8.27p the interim dividend is being increased from 1.75p to 2.25p.

The profits included only

£100,000 (£150,000) by way of insurance arising from the fire at Corby in September 1983. A further final payment of £100,000 will be incorporated in the second half accounts—last year this period took in a £200,000 insurance payment.

Operating profits for the opening half rose from 1677,000 to 1948,000. Depreciation accounted for £338,000 (£290,000) and interest charges for 174,000 (£70,000).

£100,000 (£150,000) by way of insurance arising from the fire at Corby in September 1983. A further final payment of £100,000 will be incorporated in the second half accounts—last year this period took in a £200,000 insurance payment.

Operating profits for the opening half rose from 1677,000 to 1948,000. Depreciation accounted for £338,000 (£290,000) and interest charges for 174,000 (£70,000).

Oil and Gas Technology Projects

European Community Funding

Funds are available from the Commission of the European Community for projects which promote new technology in exploration, production, transport or storage of oil and gas. The monies become repayable only if the project is exploited commercially and may cover up to 40% of the total cost. Interest is payable only on amounts outstanding after commercial exploitation.

The closing date for the next round of the Scheme is 3 April 1986.

For a free booklet designed to help British companies seeking funds under the Community Technological Development Projects in the Hydrocarbons Sector Scheme, simply request the booklet on telephone. Mrs P. MacDowall of the Offshore Supplies Office on 041-221 8777 ext. 521.

Please send me the free booklet about funding available under the Community Technological Development Project in the Hydrocarbons Sector Scheme.

Name _____
Company _____
Address _____

Post to: Mrs P. MacDowall, Ref. F/2, Offshore Supplies Office, Alhambra House, 45 Waterloo Street, Glasgow G2 6AS.

Mail order side behind Andre de Brett's progress

Andre de Brett, Wembley-based group operating a direct mail order business and retail shops specialising in outside clothing, has reported a pre-tax profit jump from £97,000 to £112,000 in the six months ended September 30 1985.

Mr Jack Linton, chairman of this USM-quoted group, says that although mail order sales in the UK improved, retail sales continued to disappoint and this side of the business is under review. Total group sales were just £77,000 ahead at £2.8m.

Although further progress has been made to reduce borrowings and interest charges. From an operating profit of £176,000 against £113,000, interest charges this time were £12,000 lower at

Tarmac sells two offshoots to Parkfield

Parkfield Group, the USM-quoted engineering and electrical distribution group, is paying £2.75m for two Tarmac subsidiaries, William Lee, a malleable casting manufacturer, and Durham Tube, a steel tube producer.

Lee made a profit before management charges and tax of £515,000 on turnover of £7.5m in the year ended December 1985, while Durham Tube made profit of £187,000 on sales of £2.3m.

Parkfield believes, however, it can make savings of about £700,000 a year at Lee by rationalisation and technical changes.

Parkfield will finance the deal by the issue of 2.75m 7 per cent cumulative convertible redeemable preference shares 3005 of £1 each and 468,176 new ordinary 5p shares. The preference shares are convertible at a rate of 100 for every 40 ordinary shares.

Merrill Lynch International Bank Limited

US\$ 20,000,000 Floating Rate U.S. Dollar Negotiable Certificates of Deposit Due 4th March, 1987 Callable at the issuers option on the 4th March, 1986

Mitsubishi Trust & Banking Corporation, London

In accordance with the terms set out in the Certificates Mitsubishi Trust and Banking Corporation have elected to exercise their call option. The Certificates will therefore mature on the 4th March, 1986 and payment will be effected on the principal amount plus interest at 8 7/8% pa at Mitsubishi Trust and Banking Corporation, 33 Lombard Street, London, EC3.

Merrill Lynch International Bank Limited Agent Bank.

US\$ 20,000,000 Floating Rate U.S. Dollar Negotiable Certificates of Deposit Due 4th March, 1987 Callable at the issuers option on the 4th March, 1986

Mitsubishi Trust & Banking Corporation, London

In accordance with the terms set out in the Certificates Mitsubishi Trust and Banking Corporation have elected to exercise their call option. The Certificates will therefore mature on the 4th March, 1986 and payment will be effected on the principal amount plus interest at 8 7/8% pa at Mitsubishi Trust and Banking Corporation, 33 Lombard Street, London, EC3.

Merrill Lynch International Bank Limited Agent Bank.

Taddale losses reduced

Taddale Investments, the industrial holding company chaired by Sir Monty Finniston, has "drastically reduced" its costs and cut its losses to £385,000 pre-tax at the interim stage.

At the end of the previous

This announcement appears as a matter of record only.



Wates City of London Properties plc

£56,000,000 Seven-Year Multiple Option Facility

- Arrangers
- First Interstate Capital Markets Limited
 - N M Rothschild & Sons Limited
- Managers
- First Interstate Bank of California
 - Standard Chartered Bank
 - Postipankki (U.K.) Limited
 - N M Rothschild & Sons Limited
 - Allied Irish Investment Bank plc
- Sterling Advances Tender Panel Members
- Allied Irish Investment Bank plc
 - Bank of America NT&SA
 - Bank of Tokyo International Limited
 - Banque Belge Limited
 - CIC-Union Européenne, International et Cie
 - Credit du Nord
 - Credit Suisse
 - First Interstate Bank of California
 - Kleinwort, Benson Limited
 - Morgan Grenfell & Co. Limited
 - National Australia Bank Ltd
 - Postipankki (U.K.) Limited
 - N M Rothschild & Sons Limited
 - The Sanwa Bank, Limited
 - Saudi International Bank
 - Standard Chartered Bank
 - State Bank of New South Wales
 - Union Bank of Switzerland
- Facility and Tender Panel Agent
- First Interstate Capital Markets Limited

Bowring Results for the year ended 31st December, 1985 (Unaudited)

	£ million	
	1985	1984
Operating Revenue	137.1	111.7
Operating Expenses	(92.1)	(78.3)
Operating Profit	45.0	33.4
Other Income	2.4	1.4
Profit before tax	47.4	34.8
Provision for UK tax	(21.3)	(15.8)
Profit after tax	26.1	19.0

Operating Revenue has increased by 23%.
Profit before tax has increased by 36%.

The above figures do not constitute full group accounts for the Bowring Group and have been adjusted to comply with generally accepted accounting practices in the United States. Earnings of companies which were sold during 1984 and 1985 together with other items which are not relevant to operating performance have been excluded. The 1984 comparatives have been restated onto a basis consistent with that used for reporting the results of 1985.

The full financial statements for the year ended 31st December, 1984 of C. T. Bowring & Co. Limited have been filed with the Registrar of Companies and the report of the auditors thereon was unqualified. The full financial statements for the year ended 31st December, 1985 have not yet been reported upon by the auditors and have not yet been filed with the Registrar of Companies.

Copies of the announcement may be obtained from the Secretary, C. T. Bowring & Co. Ltd., The Bowring Building, Tower Place, London EC3P 3BE.

Reebok profit surge to boost Pentland

Pentland Industries, the UK footwear distributor, will receive a further boost from Reebok International's 40.7 per cent owned US running shoes associate, in the 1985 year.

Reebok saw profits increase nearly ten-fold in the final quarter, from US\$2.97m (£2.85m) at exchange rates ruling at the end of 1984) to \$29.47m (£29.38m at end 1985 rate).

Pentland said yesterday that the Reebok results would have a substantial impact on its earnings in the past year, which are expected to be announced in the spring. Pentland shares rose 10p to close at 355p last night.

The final quarter outcome lifts Reebok to \$78.11m (£54.04m) for the full year, against comparable figures of \$12.15m (£10.5m) in this, \$12.51m (£2.94m) is attributable to Pentland—almost as much as the group made pre-tax from all operations in the 1984 year.

Annual earnings per share attributable to Pentland rose from an adjusted 6.33p to 36.89p.

A Member of Marsh & McLennan Companies, Inc.

LADBROKE INDEX 1,151-1,155 (-7) Based on FT Index Tel: 01-427 4411

THE MANAGEMENT PAGE: Small Business

Champion of the semi-independent

David Marsh on a French company seeking to back spin-offs from large corporations

AN UNUSUAL French venture is launching itself on the Paris Bourse today with the intention of seducing middle managers to leave their jobs in large groups to run independent businesses.

of semi-independent small businesses. The group already owns five electronics and engineering companies with a total turnover of FF 210m (£20.4m) and net profits of FF 15m (£1.4m) last year.

(HEC), France's prime business school, at the end of the 1960s. Both worked in the industrial department of Paribas investment bank before Blanchet progressed through a number of finance directorships, while Moretti built up his investment banking expertise at the Banque Privée de Gestion Financière (BPGF).

Two French companies from the Belgian Electrobel group have faced recent problems owing to strong competition and fluctuating sales. Blanchet and Moretti believe the financial foundations have been laid for recovery.

Blanchet and Moretti aim to use Dynaction's notations to provide an avenue for tapping fresh capital for future acquisitions. Additionally, they want to attract the attention of companies and managers looking for a new owner to help them solve financial or industrial problems.

cept known to the public," says Moretti. "For instance we can provide a way of solving problems of succession when a patron dies or wants to retire. And large groups in France are becoming more interested in spinning off peripheral activities—they now realise they can't always be in 36 different areas at once."

'Too much' expected of small business

Ian Hamilton Fazey talks to the new head of the CBI's smaller firms council

JEAN PARKER is the other woman from Grantham in British public life. She even went to the same school as the town's more famous daughter, Margaret Thatcher.

business of Vaux-Lug traction tyres in 1948. It reconstituted big tyres, such as those that go on tractors and other agricultural vehicles. With 400 employees it is hardly small and her role now is part-time as company secretary.

Where skills are at risk

Nick Garnett on the dilemma facing a Northern entrepreneur

"COMPANIES are like people. They start up, they grow, they prosper, then they decline and die. Clogs to clogs in two generations. I know it is fatalistic but what else can you do?"

factory blew up one night last month and he had electricians out at 4 am. But the owner is coming up to the time of life when financial security for himself and his wife is more than a fleeting shadow in his mind.

Harvey, an apprentice pattern maker at the age of 15, drives a second hand Ford Granada, purchased with 7,000 miles on the clock. He has no hobbies, does not play golf. Instead, to the disgust of his wife, he works every Sunday at the plant in the small terraced house township of Denton.



Joe Harvey: sometimes wonders why he loves the job

meter testing gear for the RB211 jet engine, checking body panel fixtures for the Ford Cortina and even toilet seats have been made from moulds produced by J. J. Harvey. Two Sinclair Cs in the company's cramped downstairs hallway had their plastic bodies made from J. J. Harvey moulds.

Harvey points to a letter from Fokker, the Dutch aircraft builder, outlining a part for which it requires a mould. "Sure we'll tender for that job," Harvey says. "It's bloody hard selling tools but you wouldn't do it unless you enjoyed it."

In brief...

THE London Enterprise Agency (LEA) and National Westminster Bank will today unveil a £20,000 scheme to help small business innovation and product development.

Business Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

First class Investment Opportunity in Switzerland. COMPANY SPECIALISING IN COMPUTER ASSISTED ANALYSIS AND TRADING OF FINANCIAL INSTRUMENTS.

MIDLANDS-BASED DISTRIBUTION COMPANY operating in the Minerals, Ceramic, Milling and Building Industries wishes to enter a further stage of development.

PRODUCTS FOR HONG KONG MARKET WANTED A big department store will soon be opened in Tsim Sha Trui, Kowloon, a famous tourist district of Hong Kong.

FOR SALE Business Mortgage Portfolio Outstanding Capital of £1m plus 30 Plus Mortgages

PRODUCTS WANTED Do your products, electrical or mechanical, have potential in the power generation industry?

EXPATRIATE FINANCIAL PLANNING—MIDDLE EAST YOUR OWN BUSINESS If you are an experienced financial planning person already involved in the expat market or are successful in the UK but need a greater challenge...

Our business is selling yours CHESTNUT AMALGAMATIONS & INVESTMENTS LIMITED The best known name in merger broking

18 ideal business locations BSC Industry Opportunity Areas in Scotland, Northern England, the Midlands and Wales are unique.

BUSINESS CAPITAL AVAILABLE SALES ORIENTATED ENTREPRENEUR HAS £25,000 TO £50,000 AVAILABLE

COMPANY DIRECTORS 4 reasons why you can benefit from a Self Administered Pension Scheme

FOR SALE 4 BRITISH AEROSPACE JETSTREAM 31 AIRCRAFT Owned and operated since new by McAlpine Aviation, completed in our own exclusive Completion Centre to a high specification.

INVENTORS TO INVESTORS How do you spot the next Henry Ford before he launches his company? As business expansion specialists our network of commercial and industrial accountants, business experts and marketing organisations advise over 600 individuals every year on how to commercialise their sometimes brilliant business concepts.

SMALL PUBLIC COMPANY Private clients seek effective control of small public company preferably but not essentially with some property interest.

DESIGN AND ENGINEERING SOFTWARE Exploitation and development opportunities in the £100 million in United States to buy rights in existing software, finance on-going and finance diversified.

WELL KNOWN TRADE MARK WANTED Suitable for Clothing or Textile business

MORTGAGES Commercial or Residential Minimum loan £50,000 - Status not normally a problem

TRABEL HOUSEHOLD CONSUMER PRODUCT COMPANIES Our client, a household consumer product company, is seeking a sales and marketing manager to take over the UK and Ireland territories.

COMPUTER SYSTEMS AND SOFTWARE GROUP Profitable 5 years management experience, outstanding markets, products, prospects and financial controls, prominent IBM and other dealerships seeking minority £250,000 to finance continued growth at home and overseas.

FUNDS AVAILABLE FOR SMALL COMPANY Up to £100,000 for start-up or expansion capital, with, or without equity involvement. Plus marketing experience offered, if required.

FOR SALE Power Generation Holdings Ltd 'C' House, Stanhope Road, Camberley, Surrey GU15 2AU

FOR SALE Business Mortgage Portfolio Outstanding Capital of £1m plus 30 Plus Mortgages

POWER GENERATION HOLDINGS LTD 'C' House, Stanhope Road, Camberley, Surrey GU15 2AU

McAlpine Aviation Limited Luton International Airport Luton LU2 9HT Telephone: Luton (0525) 24122 Telex: 82755 MACAIRM G

HOODSON & ASSOCIATES Business Expansion Specialists 14 Broadwalk, Oxford OX3 7PJ Tel: 01865 62664

Quoted Shell Industrially Based Company Enquiries from private individuals will be dealt with (however) in guaranteed confidential manner. Replies will be answered

Goldsmith 22/24 Cannon Street, London EC4A 3DF Tel: 01-495 6066

EARLY COMPLETION REQUIRED Write Box F2228, Financial Times 10 Cannon St, London EC4A 3DF

Business Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Are you considering an Insurance Subsidiary?

If your Company's insurance requirements are sufficiently substantial to consider creating your own insurance subsidiary, leading to expansion as Lloyd's, your clients would be increased in hearing from you.

The client is a well established Lloyd's Broker, in which a highly successful International Trading Group has a major interest. A subsidiary would be incorporated.

Please write initially to Peter T. Williams at Spicer and Pegler Associates, Priory Court, 43 Crouchfield, London EC3A 2NP including the names of any Brokers to whom your details may not be forwarded.

Spicer and Pegler Associates
Management Services

Investor seeks Business Opportunities

Prominent investor with outstanding track record, seeks development commercial/industrial properties or business companies seeking expansion opportunities/finance. Very substantial cash funds immediately available.

Full details to Box F6273, Financial Times
10 Cannon Street, London EC4A 4BY

MARKETING DIRECTION

We bring to our clients many years experience in the marketing and sales of many products and services. This, combined with our financial resources, offers sound professional advice. We can provide all back-up services if required and we will ensure your marketing is effective.

For further information contact:
ZETHEE MARKETING SERVICES
940-368 St John Street
London EC1V 4PH
Tel: 01-250 3988 - Telex: 898958

MEDICAL ELECTRONICS

Company with well established product range in patient monitoring, equipment, Turnover £750,000. 70% through overseas agents, wishes to acquire or merge with company with wider product range. Will consider outright sale or £150,000 cash injection to take advantage of large USA market potential.

Write Box F6277, Financial Times
10 Cannon St, London EC4A 4BY

BUSINESS BUYERS INTERNATIONAL

We specialise in leveraged buyouts exclusively representing buyers.

For full details please reply to:
Box F6271, Financial Times
10 Cannon Street, EC4A 4BY

PROFITS: £4M PLUS?

Cash rich expanding fully quoted PLC looking to acquire for CASH/SHARES/LOAN STOCK. Companies making profits before tax of at least £200,000. Full details in confidential prospectus.

Write Box F6280, Financial Times
10 Cannon St, London EC4A 4BY

NEW PROFESSIONAL CONSULTANCY PARTNER/DIRECTOR

Retired person over 55 or recently retired, preferably qualified, we are working in acquisitions, mergers and property development. Also working in partnership with top management to identify and pursue opportunities for expansion programmes. Simple clients and projects available. Capital return for equity £20,000-£25,000.

Write Box F6281, Financial Times
10 Cannon St, London EC4A 4BY

SWISS MANUFACTURERS CONSUMER PRODUCTS

Established consumer products manufacturer with well established product range in Europe. All 100% export guaranteed. We are buying agents, exporters and distributors. Capital return for equity £20,000-£25,000.

Write Box F6282, Financial Times
10 Cannon St, London EC4A 4BY

MEDICAL ELECTRONICS

Small high-tech company with unique Medical Products already proved in UK hospitals, seeks buyer or working partner to enable exploitation of substantial world wide market potential. Additional split of product for military or industrial.

Write Box F6283, Financial Times
10 Cannon St, London EC4A 4BY

SPAIN IN THE EC

Businessmen visiting Spain requiring an excellent meeting place to conduct their business. Please contact: HOTEL PALADIOS, Paseo Alfonso, Palma, Mallorca. For reservations 012-54717395. The meeting place for all Spanish businessmen.

CHINA EXPORT/IMPORT TRADE

The chief executive of the Hong Kong export and import trade has established an international trade company with a reputation for reliability and quality. The company is seeking a partner to develop trade with China. Contact: JIM MCKEEMAN, 211, Victoria Road, London EC4A 4BY. Tel: 01-250 3988.

MARKETING AND MONEY - AN HONEST ANSWER

Quickly and professionally we will appraise your marketing and financial strategy. Whether you are large or small, confident or worried we can help. We are the ex-Chairman and ex-Finance Director of PLCs who will welcome opportunities to put a cutting edge to financial products and services. We will introduce finance if it is needed but are not looking for a back door to equity participation. We are interested in making money for you and us by producing results. You may not know us but we will let you know we may not like you. Neither of us will ever know unless we discuss it.

For a preliminary discussion at a time and place of your choosing ring: 082 496505 and speak to R. D. Lonsdale or write to Tarnbow Holdings
26 Upper Diconson Street, Wigan, Lancashire WN1 2AG

NEW BUSINESS

If your Company is seeking new products, processes or techniques for profit, international opportunities then our specialist services in international technology based business development are planned to your needs. New product and technology search and marketing undertaken in a wide variety of industries: Europe, Japan and North America plus high quality licenses for direct sale through our representation of selected major overseas companies.

We have a successful record with clients and full details are available from:
Mr R. D. Lonsdale, Director
SPA TECHNOLOGIES LTD
18 Arlington Avenue, Leamington Spa
Warwickshire, England
Tel: 0283 22228/9 - Telex: 312440

HAVE YOU CONFIDENCE IN YOUR ABILITY

A rapidly expanding group of companies engaged in Overseas Residential and Commercial Property, Mergers and Acquisitions, International Sales and Marketing, and Financial Services, requires an active Director with initiative and determination, to assist with the development of existing markets and to share in the rewards created by a team of creative entrepreneurs. Equity participation £20,000.

Please reply in strict confidence with your C.V. to:
Box F6269, Financial Times
10 Cannon Street, EC4A 4BY

BRIDGING LOANS

Very fast short-term capital (3-9 months) for property owners. Domestic or business.

No brokers' fees
CASLEY FINANCE LTD
9 Ardury Lane, London E1 7LP
Tel: 01-577 8484

SPECIALIST ENGINEERING FIRM IN HAMPSHIRE

Seeks equity partner with up to £50,000 to invest, to assist consolidation of present position and support expansion in marketing and selling an advantage.

Write Box F6255, Financial Times
10 Cannon St, London EC4A 4BY

PUBLIC RELATIONS EXECUTIVE

With special experience in communications, the small group has itself tried to expand into the UK. A company which only requires a Communications Director, with a proven track record, with a proven track record, with a proven track record.

Write Box F6256, Financial Times
10 Cannon St, London EC4A 4BY

EXPORT/ELECTRICAL

Orders declined! Reps travel costing too much! Now markets to explore! We are well established Export Marketing Managers and we can help.

Reply in strict confidence to:
Box F6252, Financial Times
10 Cannon St, London EC4A 4BY

LOOKING FOR ACQUISITIONS?

Over 400 opportunities to acquire profitable concerns or business assets were available last year. Cost £45 p.a.

Free sample and introductory offer from:
Business Search
& Insolvency Supplement
20 Balaclava Street, Bristol BS1 1SE
Tel: 0272 722520

Furnished Block of 4 Beachside

Luxury apartments. ALCLUDA DEVELOPER WISHES TO SELL £140,000. Bargain £100,000. Details: KERRY, DRAXLOW HOUSE, Burton-on-Trent G83 6S11 (Day) 86106 (Evenings)

ENGINEERING COMPANIES EXPAND IN INDIA

A New Delhi based Engineering Co with varied industrial experience and contacts offers to represent or market products especially food processing and allied machinery/ know-how.

Write Box F6284, Financial Times
10 Cannon St, London EC4A 4BY

PRIVATE OR COMMERCIAL

* BRIDGING LOANS
* PROPERTY FINANCE
* MORTGAGES
Choulatons Limited
2 London Wall Buildings
London EC2M 4PP
01-628 4200

COMPUTER - SOFTWARE

We wish to undertake projects in India/Delhi free trade zone. Lower costs, finance and hassle-free co-operation. Write: 10 Cannon St, London EC4A 4BY.

CORPORATE FINANCE CONSULTANTS LIMITED

A Professional Consultancy Company offering Financial Advisory Services to the Corporate Sector.

Short/Long Term Facilities can be arranged for Flotation, Capitalisation or Acquisition purposes.

Minimum £1,000,000
Principals only should write to:
77 Moscow Road, London W2 7EL or
Telephone: 01-727 6474 Telex: 8853620

Offshore & UK Companies

Incorporation and management in UK, Isle of Man, Channel Islands, Turks, Panama, Liberia, Gibraltar, Hong Kong, etc. Confidentiality and security services.

FINANCE

Lines of credit up to £5m arranged by qualified bankers for individuals/corporates with viable proposals. Special expertise in corporate, property and international transactions. Write or telephone with details:

HOLGATE & ASSOCIATES
4/6 Bury St, London SW1Y 6AB
Telephone: 01-530 6472

QUALITY RENTED HOUSES

FLATS AVAILABLE in North Devon, Lincoln, Humberside and other areas. Short and long term lettings. Suitable for all purposes. Arrangements in most areas. Suitable for all purposes. Arrangements in most areas. Suitable for all purposes.

ADVERTISING GIFTS

Printed with your message. Promotional gifts. 100% of advertising ideas. PROMPT WORLD WIDE SERVICE. Send for our catalogue.

For more information please write or telephone:
Dept. 77, 1081 High Road, London EC2P 6DP
01-257 3036
01-257 3036
01-257 3036

SEC DIRECTIVE can verify effect

SEC DIRECTIVE can verify effect. SEC DIRECTIVE can verify effect. SEC DIRECTIVE can verify effect.

NEW PRODUCTS

Monthly review of significant new products in the world. New Products International Dept. FTB, 15 Selvaire Lane London W9 3BS or Phone 01-363 5880

CITY PR FIRM PROFITS £20,000+

SEEKS CONTROL OF CLEAN FULLY LISTED CASH "SHELL" COMPANY. Write Box F6285, Financial Times
10 Cannon St, London EC4A 4BY

RESIDENTIAL MORTGAGES AND RE-MORTGAGES

FOR BEST RATES. Telephone: M. E. LAURENCE & Co Ltd Victoria Chambers, 100 Victoria Road, Bournemouth Tel: 0202 327971

INDUSTRIAL BUILDING ALLOWANCES 1985/86

SUSSEX Management available Price £200,000 inclusive 2 year guarantee (0303) 65772 - Mr Hoar

EXCLUSIVE MARKETS IN EUROPE

Unique floor safety products, massive potential, high returns. Full Distributor programs/training. Extensive UK use. National approvals.

BUSINESS VENTURE

Experienced businessmen with some exceptional product lines looking for an association/partnership with company/individual to promote its products. Small Mayfair office can be shared for any type of operation. Write or telephone: Director, Monocro Ltd, College House, 25-31 Whitehall Lane, London W8 01-602 7181, ext. 217.

SMALL BUSINESS MIDLANDS AREA

We are seeking a small/medium manufacturing or engineering company in the Midlands area ideally would be family business without successor or businessman seeking early retirement. Strict confidence assured. Write Box H0547, Financial Times
10 Cannon St, London EC4A 4BY

CITYBOND CITYBOND STORAGE SERVICES PLC

We have the City's confidence 01-353 5998

FINANCE VENTURE CAPITAL

TRADE FINANCE. We are consultants who help you raise funds best suited to your needs. VENTURE LIMITED, 8 Mendocino St London W1R 99R 01-408 1152 Telex 26460 CTF LDM

Office Equipment

NATIONAL COMPANY CLOSING HEADQUARTERS LARGE QUANTITIES OF OFFICE FURNITURE TO CLEAR

MANAGERIAL, CLERICAL AND TYPIST DESKS, FILING CABINETS, STORAGE UNITS, BOARDROOM FURNITURE, SEATING AND RECEPTION UNITS. Telephone: 01-549 8329

Plant and Machinery

POWDER COAT PAINT LINE. As new and ready for installation and suitable for application for both Aluminium and Steel. Full details available from: SAPA LTD. Tel: Ripley (0773) 872761. Contact: Noel Hudson 01-257 5566. Price Guide - £125,000.

Businesses for Sale

Palm Grove Limited (In Liquidation) For Sale as a Unit

The business and assets of Palm Grove Limited (In Liquidation), a manufacturer of ice cream and related products, are offered for sale as a unit on a going concern basis. The assets for sale include substantial premises on 1.5 acres at Santry, Dublin 9, comprising cold stores and fully equipped manufacturing facilities suitable for the production of a wide range of ice cream and water ice products together with finished stocks and the company's trade and trademarks.

Haughey Boland & Co.

Interested parties should contact the Official Liquidator: David B. Deasy, A.C.A., Haughey Boland & Co., Chartered Accountants, 63-66 Amiens Street, Dublin 1, Ireland. Telephone 01-730611. Telex 25536

Specialist Electrical Engineering Business

Offered for sale is a highly profitable, long-established specialist electrical engineering business, due to the impending retirement of the shareholder/director. Operating from premises in North West England the business is the manufacture of anti-lag and anti-corrosion equipment with world-wide markets involving power, water, petrochemical and marine industries.

The business has an annual turnover in excess of £200,000, and a workforce of 16 experienced employees. For further details please contact: D. L. Spence C.A., Grant Thornton, Kennedy Tower 31 Chads Quayway, Birmingham B4 6EL. Tel: 021 226 4821 - Telex: 337895 GT BHAM G

Grant Thornton CHARTERED ACCOUNTANTS

LOUNGE FURNITURE MANUFACTURER FOR SALE

The business of Emerald Furniture Company, Birmmth, Essex. * Leading independent manufacturer - Turnover £1.4m. * Supplier to leading retail groups and independents. * Long ground lease, 50,000 sq ft purpose built factory & ample office and showroom accommodation. * 80 employees. For further information please contact the receiver Mr A.R. Houghton.

MAJOR FIRM

Involved in insurance broking, life assurance, unit trust advisory services, pensions and benefit consultancy, seeks acquisitions. Commission/fee income between £250,000 and £500,000 per considered. Write Box G0280, Financial Times
10 Cannon St, London EC4A 4BY

FOR SALE SPECIALISED ELECTRICAL WHOLESALER

Industrial products only, Midlands area. Extensive franchises. Turnover £1.5 million. Write Box H0542, Financial Times, 10 Cannon Street London EC4A 4BY

Vertical text on the far left edge of the page, partially cut off.

Businesses For Sale

Farley Health Products

An opportunity to acquire this profitable and internationally known manufacturer of baby foods and health products



At Plymouth, Devon CEREALS AND RUSKS DIVISION

- ★ Leading brands: Farley's Rusks and Farex Baby Foods
- ★ Freehold factory of 147,500 sq. ft. on a site of 5.92 acres
- ★ Substantially automated plant equipped for bulk handling of ingredients
- ★ Turnover £10.7m p.a. (including £4.9m exports)
- ★ 305 direct and indirect personnel

At Kendal, Cumbria MILK PRODUCTS DIVISION

- ★ Leading brands: Ostermilk, Complan, Glucodin and Casilan
- ★ Freehold factory of 185,000 sq. ft. on a site of 10.5 acres
- ★ Existing processing plant plus ready to commission computer controlled spray drier/evaporator complex
- ★ Turnover £29.7m p.a. (including £7.6m exports)
- ★ 268 direct and indirect personnel

Management and Administration offices presently based at Plymouth employing further 262 personnel
Offers are invited, from principals only, for the business as a whole or either division

Cork Gully

Further particulars are available from:
Michael Jordan or Malcolm London
Cork Gully, Shelley House,
3 Noble Street, London EC2V 7DQ
Telephone: 01-606 7700 Telex: 884730 CORRGY G

APPOINTMENTS

Two top posts at Imperial Tobacco

Mr W. C. (Bill) Owen and Mr R. E. (Brian) Wray have been appointed assistant managing directors of IMPERIAL TOBACCO. Mr Owen, who has been research and development director since 1980, will have responsibility for co-ordinating the company's core tobacco operations with the functions of manufacturing, personnel and employee relations, research and development, technical services, leaf and public affairs directly accountable to him. Mr Wray has been marketing and sales director since 1978. In his new role he will become managing director of Imperial Tobacco Developments, which will control the operations of the subsidiary companies and the development and acquisition of new business in related fields, both at home and overseas. Mr T. R. C. (Roger) Reynolds, operations director, will be retiring from the Imperial Tobacco board on May 31.

Mr J. Hastings and Mr C. Robertson have been appointed investment managers of THE SCOTTISH MUTUAL ASSURANCE SOCIETY.

GASKELL BROADLOOM has appointed Mr John C. Kay as company secretary and group financial controller. He was previously with the consultancy practice of PwC Waterhouse.

LILLY INDUSTRIES has appointed Mr D. M. (Neil) Baxter, director of industry affairs, as director, European affairs, animal health products.

Mr David J. Burt has been appointed joint managing director of HELLERMANN DEUTSCHE, a Borthorpe Holdings subsidiary.

Duménil-Lobé S.A., a Paris-based financial, securities and banking organisation, has taken a controlling stake in London Law International, the following have joined the board of LONDON LAW INTERNATIONAL: Mr Alain Duménil, Mr Jacques-Antoine de Hellermann, Mr Jacques Le Perre, Mr Christopher A. S. Fawcett and Mr W. John N. Moore.

Mr Chris Newby has been appointed an assistant director of BARCLAYS MERCHANT BANK.

Mr Harold Marshall has been appointed sales and marketing director of TDS CIRCUITS.

Mr J. E. N. Kurkjian has resigned as director of CHAMBERS AND FARGUS, but was appointed as an assistant director. Mr P. R. Furness has been appointed managing director of the southern division based in Surbiton. Mr Broadbent joined Fairclough Building in 1983 after five years with Higgs and Hill, where he became managing director for marketing in the south of England.

GEORGE WIMPEY has appointed Mr George Payne and Mr David Heppell to the executive board. Mr Payne joined in 1983 as director and general manager of George Wimpey International. Mr Heppell joined Wimpey International in 1975 and is currently deputy chairman of Wimpey Merchants, chairman of Wimpey-Dubilier; and managing director of Wimpol.

THE FOREIGN EXCHANGE AND CURRENCY DEPOSIT BROKERS' ASSOCIATION has elected the following for the current year: Mr R. T. Tallett (Tallett and Tokyo Trust International); deputy chairman Mr P. F. A. Nash (R. P. Martin); and hon. secretary and treasurer Mr R. G. Rickson (Harlow UEDA Savage).

BRITISH TELECOM has appointed Mr John McMonagill as deputy managing director of British Telecom. He has executive responsibility initially for consumer products where he will be conducting an operational review of BT's consumer electronics factory in South Wales. He was with STC as director of equipment supply for switching, transmission and terminal equipment.

Mr Bryan Rogers has been appointed director and general manager of both Clarke Plant Hire and Pilgrim Plant Hire, the plant and small tool hire subsidiaries of the CLARKE GROUP.

TI RUSSELL HORNS and Tower Housewares has appointed Mr John Whitworth as financial director. He was finance director with Holt Lloyd.

HOLIDAY INNS has appointed Mr Nigel Bergmann as vice-president and managing director of Europe, Middle East and Africa, based at the group's European headquarters in West London. For the past two years he has been vice-president and managing director Europe. The new appointment extends his responsibilities to Middle East and Africa.

AUTOMATIC SWITCHING has appointed Mr Stuart A. Cade as sales and marketing director.

Mr Joseph A. Moran is to become deputy managing director of CITICORP INSURANCE BROKERS with direct responsibility for the development of the company's strategic plan and its implementation. He joined Citicorp Insurance Brokers as a director in September 1985.

Mr Norman M. Hargrave, executive director/chief supervisor with St Martins Property Corporation, has been appointed managing director of JOHN LAING DEVELOPMENTS.

NEWBY & EYRE has appointed Mr Bob Reid as managing director of Ross Electrical. He was formerly area director for the North East Scotland Branch of this appointment. He follows the decision of Mr Dan Boyle, Newby & Eyre's regional managing director for Scotland and Northern Ireland, to leave the company for personal reasons early in 1986.

Mr Terry Brand has been appointed to the board of COLLINS WILDE. He is a director of Britannia and General Guarantee Corporation.

F. H. TOMKINS has appointed Mr Nicholas M. Ryan and Mr Malcolm R. Thomas as divisional financial controllers. Mr Ryan joins from Hanson Trust. Mr Thomas joins from Schlumberger.

BLACK & DECKER has appointed Mr Robert S. Thomas as group vice-president—eastern hemisphere, responsible for Europe, Asia, Australasia and Africa. He was corporate officer of the parent company.

KELLY GIRL has appointed Mr John Gross as vice president of European operations and Mr Chris Mason as director of finance. Mr Gross was UK group director and has been in Europe for 20 months after 14 years with Kelly Services in America. Mr Mason joined Kelly Girl five years ago as a financial controller.

Finance posts in the steel industry

Mr Brian Moffat has been appointed managing director, finance, of the BRITISH STEEL CORPORATION from April. He has been director, Port Talbot, from October 1976, and joined BSC in 1968. Mr Moffat succeeds Mr E. E. (Edward) Lewis, who became the corporation's deputy chief executive last month.

BSC and Guest, Keen and Nettieffolds have appointed Mr Norman Broadhurst as financial director of UNITED ENGINEERING STEEL from April. Mr Broadhurst is currently chairman of United Engineering Steels in the BSC/GKN joint venture announced last month. Mr Broadhurst is divisional general manager, finance and administration, of China Light and Power Company, Hong Kong. He has held appointments previously with Platt Saco Lowell (UK), Henry Simon and the UK Atomic Energy Authority.

Mr Stuart Corby has taken over as chief executive and estate manager of THE CADOGAN ESTATES following the retirement of Mr Dennis Bealaghan.

Mr I. R. J. Sinclair has been appointed a director of LLOYD THOMPSON.

Mr Peter G. Yates has been appointed technical director of LITOLITE MOLDINGS. He joined six months ago as technical manager.

Mr R. E. Pether, a member of the board of DNEU-CON MANAGEMENT CONSULTANTS, has been appointed marketing director, international and special projects, Midlands regional director. Mr J. W. Reynolds has been appointed to the board as marketing director, UK regions.

The BRITISH OVERSEAS TRADE BOARD has appointed Mr David Douglas-Horne as chairman of the committee for Middle East trade. He is a director of Morgan Grenfell and succeeds Lord Selous who is handing down after seven years in office.

Mr Ernest Thorpe is to resign as chairman of F. W. THORPE Residential Property Appointments. Business, Investment Opportunities Personal Motor Cars Holidays & Travel Contracts & Tenders Book Publishers

Premium positions available £8.00 per single column cm extra All prices exclude VAT

For further details write to:
Classified Advertisement Manager
Financial Times, 10 Cannon Street, London EC4P 4BY

TROUT FARM FISH SMOKER & PATE MAKER

POTENTIAL SUPERMARKET SUPPLIER

This modern and extensively equipped business property is available for sale in rural Hampshire. Potential turnover is estimated at £3 million.

The business consists of a 70 ton fish farm, a smoking unit and a newly equipped processing facility.

For further information please contact the joint receivers, Ipe Jacob and Nigel Montgomery. Telephone: 01-236 0670 Telex: 928060 ALLCOM G

ALLCOMBES
ACCOUNTANTS AND LAWYERS
11 WELL COURT, LONDON EC4M 9DN.

The Joint Receivers Offer for Sale the Business of

TIM BURNHAM ASSOCIATES LIMITED

comprising TBA TECHNOLOGY

A high-technology range of award-winning stage lighting products.

TBA LIGHTING

Successful stage lighting rental business with substantial fixed asset value including forward orders, stock, goodwill, intellectual rights and leasehold if required.

Please contact:
D. R. F. Sapse or A. P. Locke
Begbies
01-405 1219/1274

ENGINEERING COMPANY FOR SALE

Engineering company, based in the North of England, which designs, manufactures and sells special purpose processing equipment (principally for the food industry) for sale. Turnover in excess of £2 million, profit before tax in excess of 20%. Potential purchasers are invited to register their interest with Robert Ashley-Jones of:
Ernst & Whinney, Becket House, 1 Lambeth Palace Road, London SE1 7EU. Tel: 01-928 2000.

Ernst & Whinney
Accountants, Advisers, Consultants.

TOBACCO PROCESSING PLANT

The business and assets of Tabac Leaf Industries Limited a tobacco processing plant designed for the manufacture of handrolling and pipe tobacco is offered for sale as a going concern.

- ★ The company operates from 2,500 sq. ft. of leasehold factory and office space in South Wales with easy access to M4 and M50
- ★ Full range of primary and packing equipment
- ★ Established European and north American markets
- ★ Established links with international leaf suppliers

For further information please contact the joint receivers:
Barry G. Mitchell or Peter L. Davies
PEAT MARWICK MITCHELL AND CO.,
Marlborough House, Fitzalan Court, Fitzalan Road, Cardiff CF2 1TE
Telephone: (0222) 462463 Telex: 49797

Orbit Oil Limited Oil Reclamation/ International Limited

(Both in Receivership)

A unique opportunity to acquire the business and assets of a heavy waste oil refining plant together with patents and associated manufacturing rights.

- ★ Modern single storey office with laboratory facilities.
- ★ Long leasehold site of approx 1.6 acres based in Corby, Northants together with 400 sq. mtrs. process buildings.
- ★ Storage capacity of approx 250,000 gallons.
- ★ 10-15 employees.

For further particulars apply:
R. W. Cork, J. M. Thompson,
Joint Receiver & Manager,
or S. Rishi,
Shelley House, 3 Noble Street,
London EC2V 7DQ

Recently established Company

Chilled Fresh Food Manufacture and Distribution

Rural South West, seeks equity or other investment to finance expansion. Apply in writing to:

Coopers & Lybrand
Mudley House,
23 Princess Street,
Plymouth PL1 2HE
Ref MGP/XC/NG.

PEAT MARWICK

Ariston Alloys Ltd.

The Joint Receivers and Managers offer for sale the business, assets and goodwill of this well known long established aluminium die and sand caster which operates from premises in South East London and Croydon and has approximately 110 employees.

Assets include leasehold properties, plant and machinery, office furniture and equipment, stocks and work in progress and motor vehicles.

Turnover to end February 1986 approximately £2.5 million budgeted turnover to end February 1987 approximately £3.7 million.

For further details contact: The Joint Receivers and Managers, Ian Williams and Maurice Withall, Grant Thornton, Fairfax House, Fulwood Place, London WC1V 6DW. Tel: 01-405 8422. Telex: 28994

Grant Thornton
CHARTERED ACCOUNTANTS

In Liquidation

The Liquidator offers for sale the business and assets of Spensborough Engineering Co. Ltd., Hydraulic Engineers and Body Builders. The Company operates from freehold premises in Richmondville, Tottenham in the year to 31st January 1985 was approximately 299,000.

Further details from the Liquidator: Peter Fletcher, Grant Thornton, Eton Lodge, Eton Place, Brackley RD1 3AP. Tel: 0274 72341. Telex: 5111.

Grant Thornton
CHARTERED ACCOUNTANTS

FOR SALE

Well established Bristol based typesetting and studio company with turnover of approximately £400,000, showing good and rising return on assets.

The company uses the latest technology and has an impressive client portfolio.

Invitations are invited from principals for part or whole of the concern.

Apply in first instance to:
Box HQ55, Financial Times,
10 Cannon Street, London EC4P 4BY

COMPUTER SOFTWARE COMPANY FOR SALE

Involved in the design, development and production of all types of non-game software for major home computer.

Turnover £1,000,000 per annum plus.

For further details please apply:
Box HQ557, Financial Times,
10 Cannon Street, London, EC4P 4BY.

FOR SALE - SEWING PLANT

35,000 SQ FT FREEHOLD MODERN SEWING UNIT IN WALES

Currently employing 110 operators. Wide range of garments currently being produced. Our company is prepared to gradually transfer their production out and replace it with any prospective buyer's. This is an ideal opportunity if you are looking for extra production without training costs and staff problems. Reason for sale - other business interests.

Write Box HQ547, Financial Times
10 Cannon Street, London EC4P 4BY

SELLERS and BUYERS

Contact in confidence:
DIVERCO LTD.
4 Bank Street,
Worcester WR1 2EW.
Tel: 0905 22303

SNACK FOOD

Manufacturing company with modern plant and production facilities requires substantial equity injection to assist with funding of final stage of development of new product.

Reply from principals only. to: RW/JC
141 King Street, Great Yarmouth NR30 2PQ

Contracts and Tenders

INVITATION FOR BIDS (IFB)

LOAN No. 1404-ET
IFB No. T-05/78

The Provisional Military Government of Socialist Ethiopia, Ethiopian Transport Construction Authority (ETCA) has received a credit from the International Development Association (IDA) for the Second Road Sector Project. Part of proceeds of this credit will be applied to eligible payments and spare parts for the supply of Road Maintenance Equipment.

The ETCA now invites sealed bids from eligible bidders for the supply of equipment and spare parts.

Interested bidders from member countries of the World Bank (International Development Association) Switzerland and Taiwan China are invited to collect bid documents from the Procurement Office Room 106 during working hours upon payment of 20.00 Birr per set.

Bids will be opened in the presence of interested bidders or their representatives in the Conference Room of the ETCA headquarters building on March 20, 1986 at 10.00 hours local time. The Authority reserves the right to reject any or all bids that are not in conformity with its requirement.

Ethiopian Transport Construction Authority

FOOTWEAR MARKETING COMPANY

Own well established Brand Names. Trade Mark. Design Registrations, etc

Domestic manufacture/importing Specialists in Leisure Market

Write Box HQ552, Financial Times
10 Cannon St, London EC4P 4BY

International

A Unique Opportunity to Acquire the only Hotel on The Falkland Islands

★ 16 Bedrooms ★ Dining Room for 50 Persons
★ Bar and Lounges ★ Large Owners Flat
★ Planning Consent for 10 Further Bedrooms

SOLE AGENTS:
Terry Keys
Leisure Department, Coles & Partners
5 Aldford Street, Mayfair, London W1Y 5PS
01-629 8501

GRANT
THORNTON
CHARTERED ACCOUNTANTS

CLASSIFIED ADVERTISEMENT RATES

From January 1, 1986

	Per line (min. 3 lines)	Single column cm (min. 3 cms)
Commercial & Industrial Property	11.50	38.00
Residential Property	9.00	30.00
Appointments	12.00	41.00
Business, Investment Opportunities	11.50	38.00
Personal	11.50	38.00
Motor Cars	9.00	30.00
Holidays & Travel	9.00	30.00
Contracts & Tenders	11.50	38.00
Book Publishers	—	net 22.00

STATIONERY BUSINESS FOR SALE

WHOLESALE AND RETAIL

T/O £1m plus

Owners retiring

Write Box HQ548, Financial Times
10 Cannon St, London EC4P 4BY

RESTAURANT FOR SALE

in SAN FRANCISCO

25 year lease. Low, low rent.

For further information write to:
Box HQ546, Financial Times
10 Cannon St, London EC4P 4BY

MARBELLA
12,000 sq mtr to be constructed. 18 tennis courts, 8 squash, 2 bowling greens, gymnasium, sauna, restaurant, bars, swimming pools. Substantial price freehold.

ROUTLEDGE & COOPER
0279 504555

Hotels & Licensed Premises

PERSONS HOTEL set in 4 1/2 acres of grounds. 25 rooms with bath and en-suite for 24. 4 miles Leach City Centre. For sale. £50,000. £10,000 deposit. Tel: 01-534 8154.

ADVERTISING AGENCY established 28 years for sale as business. £28,000 including freehold office building car park. Tel: 01-236 0670. Telex: 928060 (0244) 21901 or 45031.

FT COMMERCIAL LAW REPORTS

Market trader can claim theft from car

LANGFORD V LEGAL AND GENERAL ASSURANCE SOCIETY LTD Official Referee: Judge Lewis Hawser QC January 16 1986

WHETHER A car is "attended" for insurance purposes is a question of fact depending on circumstances, having regard to common sense and practicality. Liability will not escape on the ground that the car from which goods were stolen was unattended by the insured, if the theft occurred while she was so short a distance away that she was able to tackle the thieves and spend from a few seconds, had the car under constant observation.

the Church Street stall, packed up her display cases into two large suitcases and placed them behind the passenger seat of her Volvo estate car.

She drove home and down the driveway, parking the car alongside the kitchen window. She got out, locked the doors and proceeded to the porch. What she wished to do was to unlock the doors of the porch and house, put down her shopping bag and immediately come back to the car, unlock it and take out the suitcases.

In fact she went into the house and as she put down her bag she could see the car through the kitchen window. At that moment she saw a shadow pass.

She said she "flew straight out". As she came out she saw a man with her case. He passed and she thought it better to go to the car where she saw another man, to try to prevent the theft of the suitcases.

She went to the car, which was about 17 feet away and put her hand on the door saying: "You're not going to get this case." The man pushed her and she fell. While she was on the ground he got the suitcases out. She struggled with him down the drive but again he pushed her back to the ground.

She could see a brown Cortina revving very fast and stood in front of it, but the driver drove straight at her and she had to jump out of the way. Subsequently she went to hospital for her injuries.

The insurance policy issued to the Langfords was called "market traders' stock policy." There was a provision which, the insurers said, excluded their liability.

The warranty provided that it was a condition precedent to liability that loss should be covered "only if the vehicle is attended by the insured or an employee of the insured and such loss is occasioned by theft."

The question was whether the car was "attended" by Mrs Langford.

There was some guidance from the Court of Appeal in *Starke v Diamond Rings (1962) 2 Lloyd's Rep 217*.

There were words used by the insurance company were "left unattended." The case was, on its facts, very different from the present. The plaintiff had walked about 37 yards or more from her car and went into a shop to retrieve herself. From there she could see only the top of the car and did not observe the theft of its suitcases.

Lord Denning MR said that the words "left unattended" were not capable of precise definition, but should be taken in their ordinary sense and applied to the facts, and that in the particular case their meaning was best found by considering the converse.

He said: "If a car is 'attended' it means that there must be someone able to keep it under observation, that is in a position to observe any attempt to interfere with it, and so placed as to have a reasonable prospect of preventing any unauthorised interference with it."

He found that the distance of 37 yards and the obscurity of view meant that the car was left unattended.

In the present case the interval between Mrs Langford's going into the house and her "flying out of the house" was not more than about five seconds. There was no appreciable or significant time between her going into the house and coming out again in pursuit of the thieves.

The fact that the car was not actually in her view for about five seconds could not be regarded as lack of attendance. One must take a practical commonsense view and as indicated in *Starke*, the question is to have one of fact to be determined having regard to circumstances.

The insurers had failed to establish that the car was not "attended" by the insured or by an employee. It was attended in any sensible and practical meaning of the words.

Judgment was given for Mr and Mrs Langford: N. Privett (Sons) McClellan.

For the insurers: A Hogarth (Lawrence Graham).

By Rachel Davies Barrister

keep it under observation, that is in a position to observe any attempt to interfere with it, and so placed as to have a reasonable prospect of preventing any unauthorised interference with it."

He found that the distance of 37 yards and the obscurity of view meant that the car was left unattended.

In the present case the interval between Mrs Langford's going into the house and her "flying out of the house" was not more than about five seconds. There was no appreciable or significant time between her going into the house and coming out again in pursuit of the thieves.

The fact that the car was not actually in her view for about five seconds could not be regarded as lack of attendance. One must take a practical commonsense view and as indicated in *Starke*, the question is to have one of fact to be determined having regard to circumstances.

The insurers had failed to establish that the car was not "attended" by the insured or by an employee. It was attended in any sensible and practical meaning of the words.

Judgment was given for Mr and Mrs Langford: N. Privett (Sons) McClellan.

For the insurers: A Hogarth (Lawrence Graham).

By Rachel Davies Barrister

Decision will check growth of EEC franchising

THERE IS no point in repeating three holes in a sauceman while leaving the fourth wide open; the soup runs out and so will the franchising agreement as a result of the anatomical judgment (Case 161/84 Pronuptia de Paris) handed down by the European Court last week.

The immediate consequence of the judgment will be that the German Federal Supreme Court will be invited to say that Mrs Irmgard Schilligals of Hamburg acted not as an agent of the 188,502, representing royalties on turnover in 1978-80 at a shop where she sold bridal-wear under a franchising agreement with Pronuptia de Paris, Frankfurt a subsidiary of the French enterprise of the same name.

Mrs Schilligals had been ordered to pay the money by a Hamburg court but appealed on the ground that the franchising agreement infringed EEC competition rules and was therefore null and void under Article 86/2 of the EEC Treaty. The Federal Supreme Court referred the matter to the

European Court in Luxembourg and received a pretty depressing answer. It will not only abolish Mrs Schilligals from paying her debt—unless the Hamburg court say that this would be a dishonest enrichment gegen Treu und Glauben—but will give some hundreds of franchisees, already queuing in court, the chance to avoid their obligations.

Worse still, the Luxembourg decision will undermine the development of franchising throughout the EEC. Franchising has mushroomed into a major force in the US retail and service trades since the early 1970s. In the EEC, only French and German figures are available: some 500 franchising organisations with 25,000 shops in France reaching some 8 per cent of the total retail turnover, and over 200 franchising organisations in Germany.

Arguing that the pro-competitive aspects of franchising would be a relatively inexperienced businessman to make an easy start with the backing of an experienced organisation, Mr

Advocate General Verloren van Themaat advised the court to say that franchising agreements did not infringe EEC competition rules unless the franchisor had a dominant position in a substantial part of the Common Market, created a monopolistic enclave, or prevented movement of parallel imports, thus creating an absolute protection of a national market.

The court refused to make a general rule applicable to all types of franchising agreements, but rejected the opinion of the Advocate General in respect of the one which gave rise to the dispute.

The clauses necessary to prevent competitors to benefit from the particular brand competition within a particular brand of the same product. Through the Pronuptia agreement may stop the appearance of another Pronuptia shop in the high street. It will not stop other stores that are selling bridal-wear. In fact will force them to keep up their standards.

By endorsing the bigoted attitude of the EEC Court chose to ignore the fact that by a relatively small restriction of competition within a particular brand franchising stimulates competition within a particular brand of the same product. Through the Pronuptia agreement may stop the appearance of another Pronuptia shop in the high street. It will not stop other stores that are selling bridal-wear. In fact will force them to keep up their standards.

A. H. Hermann Legal Correspondent

FOCUS ON SOUTH AFRICA SERIES. A special advertising series featuring companies involved in South African commerce and industry, appears in the Financial Times between October 9 and October 23, 1985. Brochures containing this series are now available at a cost of £3 per copy. For further details please contact: HUGH SUTTON, Financial Times, Bankers House, 18 Cannon Street, London EC4A 3DF.

F.T. CROSSWORD PUZZLE No. 5939. A crossword puzzle grid with numbers 1 through 28 indicating starting positions for words.

ACROSS: 1 and 6 You've got it! (8, 5). 2 Man in charge has it to piece together (5). 3 Possible overheads in the circus (4, 5). 4 Stamp letters, somehow missing last of post—post could hold it up (10). 5 Twelve pies for this lady? (4). 6 Silly mistake? Produce a flower? (7). 7 Name, of course (Dawns on, perling) (7). 8 The arm as Sir sets out (7). 9 Pressed doubt, so asked (7). 10 Slip on the wrist? (4). 11 Almost misty shapes turning out to be patches? (10). 12 Needle will often become boring (3, 2, 1, 3). 13 State some said a house would be in (5). 14 Look round Director-General's plant (5). 15 Showers causing reduction in movement? (9). DOWN: 1 Sacks — containers of coal? (5). 2 Wicked — as our fine shows, in a way (9). 3 Some heat? Next to nothing in the home. It's the lowest possible (10). 4 You get a breather here (7). 5 French beans, perhaps. Stick in sheltered parts (7).

UK BUILDING SOCIETIES A PROFILE. The Banker April Issue. The UK Building Societies, mutual savings societies for the provision of housing finance, were first recognised in 1896. Currently they provide 70% of the finance for owner occupiers of dwellings throughout the UK and account for 51% of liquid personal savings. Assets of the 167 commercially active societies exceed £121.5 billion and savings receipts for 1985 over £7.1 billion. There are 27 million members and 6.5 million have building society mortgages. STATUTORY REQUIREMENTS INCLUDE: Liquidity ratios of 7.5% of assets and reserves ratios of 2.5% of assets below £100m and a sliding scale up to and over a billion £. Interest may be paid gross on CDs of £50,000 up to 12 months; on Time Deposits and Bank Loans. From April 1986 on Eurobonds Resident abroad account holders and charities. THE BUILDING SOCIETIES BILL: The main proposals: Wholesale funds maximum levels raised to 20% of liabilities. 10% of lending to Class II assets. 5% on Class III assets. Freedom to offer full retail banking services. Partnership of Estate Agency subsidiaries. Plc status with members consent. A full report on the UK Building Societies will be published in the April issue of THE BANKER. For details of advertising space available in this report contact: THE BANKER, 102 Clerkenwell Road, London, EC1N 3SA. Tel: 01-251 9321. Telex: 237100.

Company Notices. COMPAGNIE FINANCIERE ET INDUSTRIELLE DES AUTOMOTRICES-COFRUITE. 9% 1974/1989 Loan of UA 17,000,000. Issuance of 17,000,000 UA 9% 1974/1989 Loan of UA 17,000,000. The Loan Bonds will be distributed at par, coupon No. 13 and following statement of terms, NOT YET PREVIOUSLY REDEEMED, included in the range from 01/01/86 to 31/12/89, and at 1481/100 to 17000/100. Amount outstanding: UA 7,140,000.

CLASSIFIED ADVERTISEMENT RATES. COMMERCIAL & INDUSTRIAL: Property 12.00/30.00, Appointments 8.00/41.00, Business Investment 11.50/39.00, Business for Sale 11.50/39.00, Personal 8.00/30.00, Motor Cars 8.00/30.00, Holiday & Travel 8.00/30.00, Contracts & Tenders 11.50/39.00, Book Publishers — net 22.00. Premium positions available. All prices include VAT. For further details write to: Classified Advertisement Manager, Financial Times, 10, Cannon St, EC4A 3DF.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS. A large table listing various unit trusts, their managers, and performance data. Columns include Trust Name, Manager, and various financial metrics.

AUTHORISED UNIT TRUSTS & INSURANCES

Table listing various unit trusts and insurance companies, including names like 'Royal London Unit Trusts', 'Scottish Widows', and 'Prudential', with columns for company name, address, and contact information.

Table listing various unit trusts and insurance companies, including names like 'Aldermore Life Insurance Co', 'British National Life Assurance Co', and 'City of Edinburgh Life Assurance', with columns for company name, address, and contact information.

Table listing various unit trusts and insurance companies, including names like 'Legal & General (UK) - Contd.', 'Lloyds Life Assurance', and 'Scottish Widows', with columns for company name, address, and contact information.

INSURANCES

Table listing various insurance companies and their services, including names like 'AA Friendly Society', 'City of Edinburgh Life Assurance', and 'Scottish Widows', with columns for company name, address, and contact information.

Handwritten note: 'No fill not 110'

هذا عنوان

INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and overseas funds with columns for fund name, company, and performance metrics.

Table listing insurance and overseas funds, including details like fund name, company, and performance data.

Table listing insurance and overseas funds, providing names, companies, and associated financial figures.

Table listing money funds with columns for fund name, company, and performance indicators.

Table titled 'Money Market Trust Funds' listing various trust funds and their details.

Table titled 'Money Market Bank Accounts' listing bank accounts and their respective details.

Table listing money market bank accounts, including account names, banks, and performance metrics.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas funds with columns for fund name, company, and performance data.

Table listing offshore and overseas funds, providing names, companies, and financial details.

Table listing offshore and overseas funds, including fund names, companies, and performance figures.

OPTIONS

Table listing options and 3-month call rates, including various market indicators and rates.

NOTES: Prices are in pence unless otherwise indicated and those denominated in dollars refer to the US dollar. Values shown are for the current day unless otherwise stated.

COMMODITIES AND AGRICULTURE

Glut hits vegetable oil prices

BY JOHN BUCKLEY

AN UNPRECEDENTED glut of palm oil in the plunging world vegetable oil markets into their worst depression in recent memory, according to European dealers. In less than a month the value of palm oil on world markets has dropped 25 per cent—over \$100 per tonne—since Malaysia, the world's largest producer, has sought to win enough export sales to prevent its record winter output piling up stocks. Pressure is unlikely to ease in the near term, especially as Malaysia's rival, Indonesia, is expected back in the export market soon.

Palm oil's performance has undoubtedly taken many traders unawares, since prices normally firm up in the winter months as trees rest and output dips to around 250-300,000 tonnes a month. But this season has been full of surprises, not least the dislocation of the peak output period from third to fourth quarter of the year which traders describe both as a major stress and a major irregularity in the rainfall pattern. Combined with increases both in mature plantation and productivity, this pushed output 45 per cent higher than usual in December 1985.

This could not have come at a worse time for Malaysia, already facing tight tank storage space as the slow pace of autumn export sales finally caught up with the market, enabling stocks to leap to nearly 1m tonnes this month. To make matters worse, latest forecasts indicate January production will fall in another bumper \$70,000-80,000 tonnes against just 265,000 in 1985. Even a recent 190,000 tonne sale to Pakistan has thus barely—and probably only temporarily—stabilised prices, as it was for forward shipments backed by a now-exhausted Islamic Development Bank loan.

Also, Malaysia's largest customer, India, has remained virtually out of the market. The withdrawal of these 60,000 tonnes-a-month orders has been shrouded in mystery and there were rumours that up to four parcels of palm oil were sought by the State Trading Corporation today. However, sources believe India's withdrawal to be a true reflection of its long forewarned drive to cut back imports and boost self-sufficiency.

Meanwhile, Indonesia's palm oil production is growing at a startling rate as new plantations are backed out of the jungle to feed an infrastructure geared to high volume and low unit value for rapid turnover and cash flow. Ironically these principles were pioneered by the Malaysians themselves but a willingness to barter with those cash-strapped customers quested by the global credit famine is where Indonesia has broken with tradition. Around her deal has sprung up a complex web of contra trade involving palm parcels changing hands amongst middlemen as diverse as Scandinavia and the Eastern bloc.

Some brokers expect palm oil to fall as low as \$250 a tonne—well below the cost of production—but even current \$280/290 levels have put refiners in a cost squeeze as plantations refuse to cut their crude oil prices. Paradoxically, this has resulted in premiums on palm oil for forward shipment in the peak production period of October/December.

Palm's fall is also posing awkward questions for European consumers who have relied on the dear oil products for the past two seasons to finance margins. Unlike their US counterparts who run on an 80 per cent soy meal diet, they have been hit hard by the need to slash oil prices to compete with palm, requiring ever larger handouts from Brussels to stay in operation. However, prices are still believed to be just a question of time before the US is forced to cut soy oil prices too, or risk losing

its non-concessional export sales altogether. Even the much-publicised Brazilian drought—which may cut 6m to 7m tonnes off soy output—has failed to sent a clearly bearish US message.

Further pressure has come from palm's partial rival coconut oil, at ten year lows after shipping off a four-year supply shortage with a resurgence of Philippine production. The next largest source, Indonesia, also needs to either export more or use additional quantities of coconut and palm kernel oils domestically, thus freeing even more palm oil for export.

Currently, the only hope of a respite in the price tango is a sharp drop in supply from the stocks overhauling some vegetable oil trading centres. Even Europe's big tank storage facilities in Rotterdam have begun to fill sufficiently to deter further commitments. The Malaysians themselves can either cut prices, reduce fertilizer or charter floating storage in the form of tankers. Less likely is that they will carry out their threat to use more palm in a diesel programme now that crude oil prices are falling again.

There is some light at the end of the tunnel besides a train heading at us," says Mr Baize. The improved market strength will come too late for those farmers who expanded in the 1970s when land prices were soaring and today are deeply in debt, he concedes. But those who bought with two or three years left in them "now have a fighting chance. He believes that the new farm programme, with its aggressive export provisions and lower support prices, will help as well as lower costs for land, interest rates and oil.

Analysts at the US Department of Agriculture (USDA) are cautious about the coming year, but they say that so much

US soybean growers see gloom lifting

BY NANCY DUNNE IN WASHINGTON

AFTER years of depression on US farms prospects may at last be improving for some producers, according to Mr John Baize, vice-president of the American Soybean Association (ASA).

He is convinced that the Soviet Union is in the process of buying 1m tonnes of the high protein beans in order to improve their livestock feeding, and he also sees hopes of rising demand elsewhere. The drought in Brazil and the weaker dollar are the main factors improving the spirits of US soybean producers with hopes of increased demand and improved competitiveness.

"For the first time in years

of the excess grain production will go into Government stocks that it may be several months before prices start dropping towards this year's lower loan rates. Prices will depend on how much grain gets released from stocks to the farmers through various payment-in-kind schemes contained in the Farm Act. These provisions are still being announced by the Administration.

In a report released last week, the department noted signs of "stabilisation" in the farm belt. Although the 10 to 15 per cent of severely indebted farmers are still being troubled this year, lower commodity prices may be offset by higher livestock receipts, continued large government pay-

ments and lower production costs. Adjustment is well under way, said the USDA. Investment in expanding capacity has stopped and capital continues to leave the sector. Input use has declined as farmers attempt to cut costs. Also, farm debt and interest expenses have begun to shrink due to reduced purchases of land and equipment.

Land prices have fallen 13 per cent in 1984 and around 8 per cent in 1985 are expected to decline only 4 per cent this year.

The more than 80 per cent of American farmers with moderate or low debt levels should not have difficulty getting credit this year, according to the department.

Higher world tea production estimated

WORLD TEA production in 1985 was up 5.7 per cent to 1.13m tonnes, London broker Wilson Smith estimates in its latest review. The estimate is based on full year figures for most producing countries, but Uganda's is only to the end of August, Tanzania's to the end of June and Zimbabwe's to the end of November.

The largest increases were in Kenya and North India while South India was the only area where output declined, the review says.

At yesterday's weekly London auction quality tea averaged 190p kilo up 5p from last week. Medium and low medium grades were unchanged at 145p and 112p respectively.

The Tea Brokers' Association said there was "good general demand" for the 36,637 packages on offer, which included 4,000 in the offshore section.

Kuala Lumpur tin market re-opens

THE KUALA Lumpur tin market re-opened yesterday after a three-month suspension with prices falling from 19 ringgit a kilo to close at 18 ringgit in a quiet day's trading.

Tin was traded on an official market for the first time since October, when the KLTM and the London Metal Exchange's tin market were suspended because the International Tin Council had run out of funds for supporting prices. Only physical metal is traded on the KLTM, which is not a futures market like the LME.

Nevertheless, with the continued suspension of the LME tin market, the KLTM price is likely to set a reference price for tin sales elsewhere. The authorities, which started posting their prices in December are reported to be considering dropping their price quotations and using the KLTM as a reference.

KLTM officials said trading yesterday was cautious and only 30 tonnes were sold.

The low volume appears to indicate that Malaysian miners are heading a call by the All-Malaya Chinese Miners Association not to sell tin below 18.50 ringgit a kilo.

Traders say, however, that prices are likely to slide further, probably to 17 ringgit.

The Milk Board's balancing act

I MUST be one of the few survivors of those who were actually producing before the Milk Marketing Board came into operation in mid-October 1933. From January 1 of that year I had been managing a dairy farm in the Midlands, and the price was reduced was six pence per gallon in the summer and eight pence in the winter. On October 1 I started farming on my own account and until the middle of the month the milk sold returned a shilling a gallon; then the Board took over and the price fell to 10p.

The reason for this price reduction was that my own farm supplied the London market, where prices were traditionally higher. The Board's first aim was to pool all milk prices so that farmers all over England and Wales received roughly the same price, subject to varying transport costs. Some farmers in the Home Counties objected to the Board on this account, but in fact their favourable situation was being steadily eroded by the transport of supplies from the West and Central, where farmers had been receiving even lower prices than in the Midlands.

The Board also put an end to the annual contracting between farmers and buyers, with the latter holding most of the aces. A few strong buyers could always divide a weak majority, which could always be underwritten by neighbours or other farmers in even weaker situations.

The Board had a monopoly for wholesaling all milk but I for one never thought that this was for any good. I could see no reason why the Board, as the farmers' agent, should not control both the retailing of the milk and the manufacture of the surplus as well. The

FARMER'S VIEWPOINT



By John Cherrington

Board did in fact begin to do this, rather by stealth. As its customers got into difficulties, as small businesses do, some of them were taken over by the Board which ended up both retailing and manufacturing in a small way. I believed this would have gone a long way further had it not been discouraged officially.

An important point to remember is that until EEC entry milk pricing was determined by the liquid market, with the manufacturing element taking what was surplus to that market. Most imported dairy products—New Zealand butter and cheese and so forth—came in at much lower prices than those at which they could be produced in Britain. The big change which came with EEC membership was that the guaranteed price for milk was for all milk, whether for liquid sale or manufacturing.

In this situation the UK was the odd man out. In England and Wales in 1970 liquid sales were 66 per cent of the total milk handled. By 1984 the liquid share had fallen to 44 per cent of the total milk, up by some 30 per cent. By comparison the proportion of liquid sales in the rest of the Community averaged 11.5 per cent.

During this period liquid sales were falling and by the time quotas were imposed in

of last resort and needs, I would have thought, the processing capacity with which to look after the surplus. And what I do mean with the averaging principle?

Where the Board could be criticised perhaps is in not exploiting its opportunities clearly. For instance the portion of the retail price of milk retained by the Board for the benefit of producers fell from 61 per cent in 1970 to 48.4 per cent in 1984-5. I have never seen a satisfactory explanation as to why the farmer, who has gone through the whole production process, should get less per litre than the share allocated to processes and handlers.

There is another factor which touches on the reports' criticism. According to figures in the Board's publication "EEC Dairy Facts and Figures" producer returns are lower than in several of the member states, particularly Denmark, the Netherlands and West Germany in ECU terms.

There are, I believe, two reasons for this. One is that for generations milk production in those countries has been directed towards manufacturers and not the liquid market. Their dairy industries have established appreciable markets at home and abroad which take their produce from source of milk, and of course folemsanship.

The second factor might be even more significant. It does seem that these countries are more skilful at milking the Community's funds. According to the latest EEC returns the real criticism of the Board's abilities.

LONDON MARKETS

EARLY CURRENCY-inspired gains in the London Metal Exchange copper market were wiped out yesterday afternoon and the higher grade cash position ended the day \$6 down at \$1,062.50 a tonne. The downturn was triggered by a lower New York opening and fuelled by stop-loss and chartist selling after a support point was breached. The lead market followed a similar pattern before ending \$2.75 down on the day in the cash position at \$257.75 a tonne. Dealers said recent developments in the tin crisis were weighing on the market. In contrast to last week's eagerness the aluminium managed to hold on to some of its early evening gain with cash closing \$2.50 up at \$715.50 a tonne. Trade buying and short-covering was reported at around the \$1.125 a tonne mark. Coffee values continued last week's downward slide, closing \$2.50 up at \$247.5-7.5. The market closed at \$2,272.50 a tonne, down \$90. Dealers said most speculators are now out of the market following the sell-off which has trimmed the May price by some \$900 from the peak reached early last month. LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

Contract	Close	+ or -
Unofficial + or -		High/Low
March	715.5	+2.5
5 months	821.2	+5.5

COPPER

Contract	Close	+ or -
Higher grade (unofficial) + or -		High/Low
March	1007.3	-6.5
5 months	1034.5	-4.5

LEAD

Contract	Close	+ or -
Unofficial + or -		High/Low
March	275.1	-3.7
5 months	270.1	-3.7

NICKEL

Contract	Close	+ or -
Unofficial + or -		High/Low
March	178.5	+0.5
5 months	188.75	+6.5

SILVER

Contract	Close	+ or -
Spot	424.80	+2.8
3 months	428.15	+4.8
5 months	428.15	+4.8
12 months	428.15	+4.8

INDICES FINANCIAL TIMES

Index	Value	% Change
Feb. 3 (Jan. 31) 1986	299.56	+0.56
1984-85 (1970-81)	1904.3	+1.01
1984-85 (1970-81)	1904.3	+1.01

MAIN PRICE CHANGES

Commodity	Change
Aluminium	+2.50
Copper	-6.50
Lead	-3.70
Nickel	+0.50
Silver	+2.80

US MARKETS

PRECIOUS METALS responded to dollar strength along with continued talk of reforms in South Africa, reports Heindel Commodities. Copper and aluminium came under heavy selling pressure on sterling weakness and a smaller than expected decline in Comex stocks. An early rally in sugar on reports on hurricane damage to the Australian sugar crop was reversed on producer selling and reports that the damage was not substantial. Cocoa weakened on producer selling and arbitrage sales. Foot roaster interest kept coffee prices on the defensive. Cotton traded mixed as traders continued to speculate on the timing of advanced deficiency payments.

NEW YORK

Commodity	Close	+ or -
Aluminium 40,000 lbs. cont'd	715.5	+2.5
March	715.5	+2.5
5 months	821.2	+5.5

CHICAGO

Commodity	Close	+ or -
LIVE CATTLE 40,000 lbs. cont'd	62.15	-0.15
March	62.15	-0.15
5 months	62.15	-0.15

GRAINS

Commodity	Close	+ or -
Wheat	178.5	+0.5
March	178.5	+0.5
5 months	188.75	+6.5

COFFEE

Contract	Close	+ or -
March	227.5	-0.5
5 months	247.5	+7.5

GRAINS

Commodity	Close	+ or -
Wheat	178.5	+0.5
March	178.5	+0.5
5 months	188.75	+6.5

POTATOES

Contract	Close	+ or -
March	75.0	-0.5
5 months	75.0	-0.5

ORANGE JUICE

Contract	Close	+ or -
March	27.0	-0.5
5 months	27.0	-0.5

SUGAR

Contract	Close	+ or -
March	22.5	-0.5
5 months	22.5	-0.5

COFFEE

Contract	Close	+ or -
March	227.5	-0.5
5 months	247.5	+7.5

GRAINS

Commodity	Close	+ or -
Wheat	178.5	+0.5
March	178.5	+0.5
5 months	188.75	+6.5

COFFEE

Contract	Close	+ or -
March	227.5	-0.5
5 months	247.5	+7.5

GRAINS

Commodity	Close	+ or -
Wheat	178.5	+0.5
March	178.5	+0.5
5 months	188.75	+6.5

POTATOES

Contract	Close	+ or -
March	75.0	-0.5
5 months	75.0	-0.5

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling falls as Opec meets

Attention centred on the oil market in Europe yesterday, with North Sea crude falling more than \$1 to less than \$17 a barrel...

lowest level since November 15 1978 in Tokyo. After dropping below ¥190 in the Far East the dollar closed at ¥191.50 in London...

E IN NEW YORK

The D-mark finished a little weaker against the dollar, after the US currency recovered steadily from lows touched in the Far East...

FINANCIAL FUTURES

Sharp fall

Sterling based futures fell sharply in the London International Financial Futures Exchange yesterday amid fears of higher clearing bank base rates and sterling's decline on lower oil prices...

Despite the prospects of an oil price war and speculative pressure in the UK banking statistics expected to be less than encouraging...

LONDON

Table of 20-year Treasury bond yields and other financial data for London.

Table of 10-year Treasury bond yields and other financial data for London.

Table of 3-month Treasury bill yields and other financial data for London.

Table of 3-month Eurodollar yields and other financial data for London.

Table of 3-month Sterling yields and other financial data for London.

Table of 3-month Sterling yields and other financial data for London.

Table of 3-month Sterling yields and other financial data for London.

Table of 3-month Sterling yields and other financial data for London.

Table of 3-month Sterling yields and other financial data for London.

Table of 3-month Sterling yields and other financial data for London.

Table of 3-month Sterling yields and other financial data for London.

Table of 3-month Sterling yields and other financial data for London.

Table of 3-month Sterling yields and other financial data for London.

Table of 3-month Sterling yields and other financial data for London.

Table of 3-month Sterling yields and other financial data for London.

US TREASURY BONDS

Table of US Treasury bond yields for various maturities.

Table of US Treasury bond yields for various maturities.

Table of US Treasury bill yields for various maturities.

Table of US Treasury bill yields for various maturities.

Table of US Treasury bill yields for various maturities.

Table of US Treasury bill yields for various maturities.

Table of US Treasury bill yields for various maturities.

Table of US Treasury bill yields for various maturities.

Table of US Treasury bill yields for various maturities.

Table of US Treasury bill yields for various maturities.

Table of US Treasury bill yields for various maturities.

Table of US Treasury bill yields for various maturities.

Table of US Treasury bill yields for various maturities.

Table of US Treasury bill yields for various maturities.

Table of US Treasury bill yields for various maturities.

What every Finance Director should know about Traded Currency Options.

Recently the Financial Times quoted one UK Treasurer as saying that "options are the cheapest way of hedging."

Euromoney Corporate Finance described options as "allowing the corporation to limit risk while keeping open the possibility of fully participating in any potential reward."

Full details of this uniquely cost-effective method of insurance against inevitable currency fluctuations are in M.C. Brackenbury & Co's booklet Traded Currency Options - A guide to currency risk management.

To obtain a copy, please telephone Chris Tipping on 01-623 5707. Or send the coupon.

Form for requesting a copy of the Traded Currency Options booklet.

AGRICULTURAL MANAGEMENT LIMITED PRESENT THE 1986 AGRICULTURAL CONFERENCE

POUND SPOT - FORWARD AGAINST POUND

Table showing pound spot and forward rates against the pound.

POUND SPOT - FORWARD AGAINST DOLLAR

Table showing pound spot and forward rates against the dollar.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies.

CURRENCY RATES

Table showing current currency rates for various currencies.

CURRENCY FUTURES

Table showing currency futures rates for various currencies.

OTHER CURRENCIES

Table showing rates for other currencies.

STERLING INDEX

Table showing the Sterling Index and its components.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates.

MONEY MARKETS

UK rates higher on weak pound

Interest rates rose in London yesterday as sterling fell sharply amid fears of lower oil prices...

UK clearing banks lend rate 12 1/2 per cent since January 9

In Frankfurt the Bundesbank announced 28 and 63 day sale and repurchase agreements to inject further liquidity into the money market...

NEW YORK RATES

Table showing New York money market rates.

MONEY RATES

Table showing money market rates for various currencies.

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on February 3, 1986.

Large table showing world value of the pound with columns for Country, Currency, and Value of £ Sterling.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on US dollar parities and going sterling-dollar rates...

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and Yield. Includes 'Shorts' (Lives up to Five Years) and 'Five to Fifteen Years' sections.

Table of British Funds (continued) with columns for Name, Price, and Yield. Includes 'Over Fifteen Years' and 'Undated' sections.

Table of British Funds (continued) with columns for Name, Price, and Yield. Includes 'Index-Linked' and 'INT. BANK AND O'SEAS GOVT. STERLING ISSUES' sections.

Table of British Funds (continued) with columns for Name, Price, and Yield. Includes 'CORPORATION LOANS' and 'COMMONWEALTH & AFRICAN LOANS' sections.

Table of British Funds (continued) with columns for Name, Price, and Yield. Includes 'LOANS' and 'FOREIGN BONDS & RAILS' sections.

Table of British Funds (continued) with columns for Name, Price, and Yield. Includes 'AMERICANS' section.

Table of British Funds (continued) with columns for Name, Price, and Yield. Includes 'AMERICANS' section.

Table of British Funds (continued) with columns for Name, Price, and Yield. Includes 'AMERICANS' section.

Table of British Funds (continued) with columns for Name, Price, and Yield. Includes 'AMERICANS' section.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS - Cont.

Table of Building, Timber, Roads shares with columns for Name, Price, and Yield.

Table of Building, Timber, Roads shares (continued) with columns for Name, Price, and Yield.

Table of Building, Timber, Roads shares (continued) with columns for Name, Price, and Yield.

Table of Building, Timber, Roads shares (continued) with columns for Name, Price, and Yield.

Table of Building, Timber, Roads shares (continued) with columns for Name, Price, and Yield.

Table of Building, Timber, Roads shares (continued) with columns for Name, Price, and Yield.

Table of Building, Timber, Roads shares (continued) with columns for Name, Price, and Yield.

Table of Building, Timber, Roads shares (continued) with columns for Name, Price, and Yield.

Table of Building, Timber, Roads shares (continued) with columns for Name, Price, and Yield.

Table of Building, Timber, Roads shares (continued) with columns for Name, Price, and Yield.

Table of Building, Timber, Roads shares (continued) with columns for Name, Price, and Yield.

INDUSTRIALS - Continued

DRAPERY & STORES - Cont.

Table of Drapery & Stores shares with columns for Name, Price, and Yield.

Table of Drapery & Stores shares (continued) with columns for Name, Price, and Yield.

Table of Drapery & Stores shares (continued) with columns for Name, Price, and Yield.

Table of Drapery & Stores shares (continued) with columns for Name, Price, and Yield.

Table of Drapery & Stores shares (continued) with columns for Name, Price, and Yield.

Table of Drapery & Stores shares (continued) with columns for Name, Price, and Yield.

Table of Drapery & Stores shares (continued) with columns for Name, Price, and Yield.

Table of Drapery & Stores shares (continued) with columns for Name, Price, and Yield.

Table of Drapery & Stores shares (continued) with columns for Name, Price, and Yield.

Table of Drapery & Stores shares (continued) with columns for Name, Price, and Yield.

Table of Drapery & Stores shares (continued) with columns for Name, Price, and Yield.

Table of Drapery & Stores shares (continued) with columns for Name, Price, and Yield.

Handwritten scribble at the top center of the page.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, ICI, and various engineering firms. Columns include stock name, price, and change.

LEISURE—Continued

Table of leisure and entertainment stocks including British Skyways, British Tourist Authority, and various travel agencies.

PROPERTY—Continued

Table of property and real estate stocks including various land and building companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts such as British Venture, British Investment, and various asset management funds.

FINANCE, LAND—Cont.

Table of finance and land-related stocks including banks, insurance companies, and landowners.

MINES—Continued

Table of mining stocks including various metal and coal mining companies.

INSURANCES

Table of insurance stocks including various life and fire insurance companies.

PROPERTY

Table of property stocks, including a sub-section for 'Investment Trusts'.

PROPERTY

Table of property stocks, including a sub-section for 'Investment Trusts'.

FINANCE, LAND, etc

Table of finance, land, and other stocks including various financial and land-related companies.

PLANTATIONS

Table of plantation stocks including various rubber and other plantation companies.

MISCELLANEOUS

Table of miscellaneous stocks including various small and niche companies.

Regional and Irish Stocks section with a note about the table's content and a reference to 'Recent Issues and Rights'.

LONDON STOCK EXCHANGE

Oil price fears return and equity index backtracks from record

Account Dealing Dates
Option
*First Declared Last Account Dealings Date

The sterling/oil situation returned to unsettled financial markets in London yesterday. The share market was initially cautious although underpinned to some extent by Wall Street's surge on Friday to another new peak. However, a fall in North Sea oil prices caused nervousness, sending sterling lower and commercial rates for credit higher. Inevitably the pressures on the current bank base rate level of 13 1/2 per cent, which the authorities successfully defended a fortnight ago, revived again.

Alliance, following fourth-quarter figures from its US associate Chubb, cheapened 5 at 552p. Among regional Breweries, Daventry, 25 cheaper at 390p, reacted to scattered country selling following the board's final offer from Wolverhampton and Dudley. Building Builders suffered a defensive mark-down as interest rate worries resurfaced. Blue Circle lost 10 to 655p and KMC slipped 4 to 480p, while Rugby Portland Cement, a good market recently on takeover speculation, came back 5 to 154p. Barratt Developments gave up 5 to 118p and George Wimpey shed 3 to 140p. Against the trend, Redland firmed 5 to 375p on news that the company is to partner US insurance group USAA in the development of a 800-acre paper mill development in San Antonio, Texas. Among secondary issues, profit-taking left Ward Holdings 8 lower at 265p and clipped 4 from John Mow stock at 318p, but renewed demand in a restricted market lifted Cogson 6 to 42p. Press comment highlighting bid possibilities for Phoenix Timber add 3 to 96p. ICI were supported in the wake of several US investment firms' reports that the company is higher at 827p.

FINANCIAL TIMES STOCK INDICES

Table with columns: Index Name, 21 Feb, 20 Jan, 19 Jan, 18 Jan, 17 Jan, 16 Jan, 15 Jan, 14 Jan, 13 Jan, 12 Jan, 11 Jan, 10 Jan, 9 Jan, 8 Jan, 7 Jan, 6 Jan, 5 Jan, 4 Jan, 3 Jan, 2 Jan, 1 Jan. Rows include Government Secs, Fixed Interest, Ordinary, Ord. Div. Yield, Earnings, P/E Ratio, Total Returns, Equity Turnover, and Gold Mines.

HIGHS AND LOWS

Table with columns: Index Name, High, Low, Daily Change, % Change. Rows include Govt. Secs, Fixed Int., Ordinary, and Gold Mines.

aided Bramall, another 3 up at 215p. Among Components, Lucas bargained a few pence more to 513p, while Aerospace Engineering, scheduled to announce interim figures on Thursday, rose 5 to 83p. Takeover speculation continued among estate agents and Mann & Co. featured with a gain of 10 at 235p, after 200p. Concessions were made to 157p before profit-taking left the close just a penny dearer on balance at 192p. Textiles highlighted Textured Jersey which advanced 13 to 125p in response to the increased interim profits and dividend. Don Bros. ended 10 up at 148p, and Munton Bros. 1 1/2 to the good at 151p made fresh progress but other recent speculative favouritism gave ground on occasional profit-taking. Hillingworth Marris dipped 4 to 96p, while Farland A fell 3 to 122p. Debraux, how- ever, made a notable comeback to 56p following news that MDC holds around 8.5 per cent of the equity. Tobacco turned easier. Imps fell 6 to 24p, while Rothmans, underpinned by the third-quarter figures from its Canadian operation, gave up 3 to 133p. Among mixed Financials, First Trust was supported awaiting today's interim results. Support from "down-under" left Keywest 9 higher at 104p, but James Ferguson's 3 to 22p on a newspaper's "take profits" advice.

RECENT ISSUES-EQUITIES

Table with columns: Issue Name, Price, Yield, etc. Rows include various equity issues.

RISES AND FALLS YESTERDAY

Table with columns: Stock Name, Rise, Fall, Same. Rows include British Firms, Foreign Firms, etc.

FRIDAY'S ACTIVE STOCKS

Table with columns: Stock Name, No. of Shares, Day's Change, % Change. Rows include Shell, BP, etc.

YESTERDAY'S ACTIVE STOCKS

Table with columns: Stock Name, Closing Price, Price Change, % Change. Rows include Shell, BP, etc.

TRADITIONAL OPTIONS

Table with columns: Deal Name, Declared, Settling, etc. Rows include various traditional options.

FIXED INTEREST STOCKS

Table with columns: Issue Name, Price, Yield, etc. Rows include various fixed interest stocks.

RIGHTS OFFERS

Table with columns: Issue Name, Price, Yield, etc. Rows include various rights offers.

Stores dull
Revived fears of dearer money and a consequent reduction in 1986 and 1987. GEC hardened a couple of pence to 177p as did Thors K&M to 589p, but STC came on offer at 105p, down 4. Among secondary Electricals, Chloride reflected press comment with a rise of 2 to 49p, after 50p, while Baxters added 5 to 210p, after 115p, as investors took an increased interest ahead of the preliminary figures scheduled for February 23. Engineers provided several noteworthy movements despite a relatively quiet overall trading session. Following news of the agreed offer from Thomas Robinson and Leasing resumed in Wicks at 190p compared with the suspension price of 170p; the former, suspended at 182p, were quoted at 195p. Good preliminary news for Leasing 2 1/2 higher at 235p, while weekend press mention stimulated further persistent demand for Woodhouse and Baxters which gained 6 1/2 more to 70p. Speculative buying left Saville Gordon 4 higher at 56p, after 57p. Leading issues were inclined easier, although the market closed with a small improvement at 471p.

Extel react
The majority of leading miscellaneous industrialists gave ground, but helped to a certain extent by currency influences. Gexte hardened 5 to 809p, BOC gave up 10 to 210p, before 7 at 297p. In contrast, Boats gave up 6 to 237p, while Pilkington fell 8 to 345p and Metal Box closed 5 cheaper at 515p. Reebok was again broadly traded and touched 370p before settling a penny easier on balance at 365p. Following comment on the Demagor Corporation bid, Menzies and left Spynners 3 better at 25p.

Gold edge higher
At a quiet session in mining markets saw South African Golds hold up well despite the further decline by the bullion price. The latter slipped back to close another 22 1/2 pence off balance at 347 1/2 an ounce, a fall of 5 1/2 pence over the past two trading days. US buying late on Friday following the South African President's speech at the re-opening of the South African Parliament prompted dealers to mark share price higher at the outset of trading in London. Thereafter, quotations gradually edged higher reflecting persistent small buying interest and a marked absence of selling pressure to close around the day's high. However, the latter reported a marked reduction in turnover in the sector. The Gold Mines index posted a 3.6 gain at 344.5.

BP easier
Another steep decline in North Sea oil prices, which surprised current OPEC meeting in Vienna, oil prices cut by Mexico and Venezuela, the sharp drop in oil production by Nigeria, prompted a general retreat by the oil sector. Selling pressure in the leaders was by no means heavy and touched 148p prior to closing a net 8 higher at 143p reflecting takeover speculation. Firm features in Overseas Traders included Anglo, 1 1/2 higher at 323p, reacting to the weakness of sterling, and Learne which moved up 4 more to 236p following substantial traditional and traded options business. Recently buoyant Tower Kinsley met persistent profit-taking and slipped 3 to 78p.

Clearers weak
Clearing banks took a turn for the worse as Latin American debt worries overshadowed Barclays, a firm market last week on the proposed \$500m floating rate note issue, fell 15 to 443p, while Lloyds gave up 10 to 443p. NatWest also relinquished 10 to 653p and Midland cheapened 5 to 425p. Elsewhere, Hambros continued to respond favourably to last week's surprise news that Hambros Trust is to sell its stake in the merchant bank and touched a new peak of 225p at the outset before closing mainly at 217 1/2p. Abbey Life, up 12 last Friday amid vague rumours concerning a 20p shareholding, gave up 5 at 207p on profit-taking ahead of today's investment seminar with brokers Rowe and Pitman. Elsewhere in Insurances, Royale gave up 10 at 785p, while Sna

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Table with columns: Group Name, Index, etc. Rows include various equity groups.

FIXED INTEREST

Average Gross Redemption Yields

Table with columns: Issue Name, Yield, etc. Rows include various fixed interest issues.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., etc. Rows include various European options.

Table with columns: Series, Vol., etc. Rows include various European options.

LONDON TRADED OPTIONS

Table with columns: Option Name, Price, etc. Rows include various London traded options.

Table with columns: Option Name, Price, etc. Rows include various London traded options.

RECENT ISSUES-EQUITIES

Table with columns: Issue Name, Price, Yield, etc. Rows include various equity issues.

FIXED INTEREST STOCKS

Table with columns: Issue Name, Price, Yield, etc. Rows include various fixed interest stocks.

Can Europe catch up?
A bound reprint of a series of articles "Can Europe catch up?" and "Towards a Free Trade Community" - previously published in the Financial Times during 1985 - is now available price £4.95 including postage and packing.

Nicola Banham
Publicity Department
Bracken House, 10 Cannon Street
London EC4A 3DF

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-Actuaries Share Indices
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Handwritten note in Arabic script at the top center of the page.

WORLD STOCK MARKETS

Table of world stock markets including sections for Austria, Germany, Norway, Australia (continued), Japan (continued), Belgium/Luxembourg, Denmark, France, Italy, Netherlands, Switzerland, and Sweden. Each section lists various stocks with their prices and changes.

CANADA

Table of Canadian stock markets, specifically Toronto, listing prices for various stocks and indices.

Indices

Table of various stock indices including New York Dow Jones, Standard and Poors, NYSE Composite Prices, and others, showing their values and trends.

OVER-THE-COUNTER

Table of over-the-counter market data, including Nasdaq national market prices and other financial information.

NYSE COMPOSITE PRICES

Table of NYSE composite prices, showing 12-month and 52-week high and low prices for various stocks.

Table of LONDON Chief price changes, listing various stocks and their price movements.

Advertisement for Ghent, featuring a photograph of a building and text describing their services for decision-makers.

Advertisement for 'Get your News early in Stuttgart', including contact information for The Financial Times (Europe) Ltd.

Advertisement for 'HAND DELIVERY SERVICE' in Belgium and Luxembourg, with contact details for ANTWERP/BRUSSELS/GENT/KORTRIJK.

Prices at 3pm, February 3

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Stock	High	Low	Open	Close	Change
12 Month					
AAA					
AA					
A					
B					
C					
D					
E					
F					
G					
H					
I					
J					
K					
L					
M					
N					
O					
P					
Q					
R					
S					
T					
U					
V					
W					
X					
Y					
Z					
AAA					
AA					
A					
B					
C					
D					
E					
F					
G					
H					
I					
J					
K					
L					
M					
N					
O					
P					
Q					
R					
S					
T					
U					
V					
W					
X					
Y					
Z					
AAA					
AA					
A					
B					
C					
D					
E					
F					
G					
H					
I					
J					
K					
L					
M					
N					
O					
P					
Q					
R					
S					
T					
U					
V					
W					
X					
Y					
Z					
AAA					
AA					
A					
B					
C					
D					
E					
F					
G					
H					
I					
J					
K					
L					
M					
N					
O					
P					
Q					
R					
S					
T					
U					
V					
W					
X					
Y					
Z					
AAA					
AA					
A					
B					
C					
D					
E					
F					
G					
H					
I					
J					
K					
L					
M					
N					
O					
P					
Q					
R					
S					
T					
U					
V					
W					
X					
Y					
Z					

Kidder, Peabody Securities Limited

Market Makers in Euro-Securities

An affiliate of Kidder, Peabody & Co. Incorporated

New York • London • Paris • Geneva • Zurich • Hong Kong • Tokyo

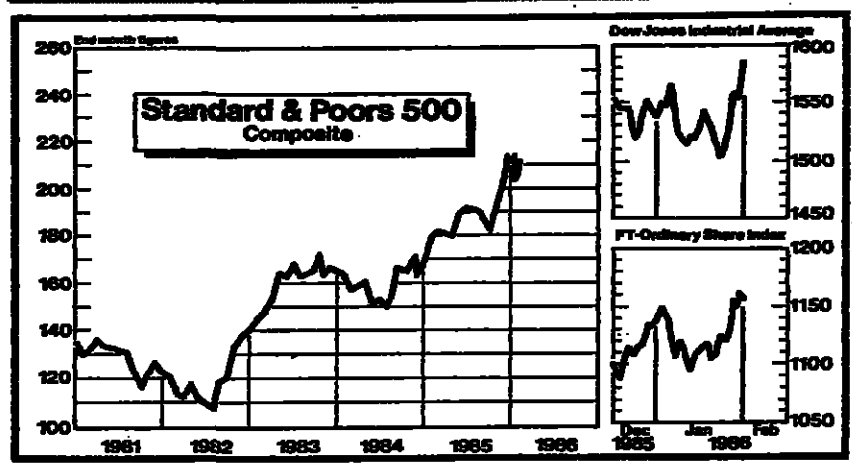
Continued on Page 39

Handwritten scribble at the bottom center of the page.

FINANCIAL TIMES

WORLD STOCK MARKETS

KEY MARKET MONITORS



STOCK MARKET INDICES			
	Feb 3	Previous	Year ago
NEW YORK			
DJ Industrials	1,584.29*	1,570.99	1,277.72
DJ Transport	751.90*	748.58	609.94
DJ Utilities	177.52*	176.91	148.65
S&P Composite	212.93*	211.78	178.63
LONDON			
FT Ord	1,155.3	1,161.0	988.3
FT-SE 100	1,425.1	1,435.0	1,272.6
FT-A All-share	652.74	656.41	609.86
FT-A 500	760.51	764.47	668.75
FT Gold mines	344.9	341.3	473.3
FT-A Long grt	10.75	10.67	10.82
TOKYO			
Nikkei	13,088.47	13,024.30	11,948.90
Tokyo SE	1,048.00	1,041.82	928.01
AUSTRALIA			
All Ord.	1,072.9	1,075.1	772.7
Metals & Mins.	534.2	539.4	445.0
AUSTRIA			
Credit Aktien	119.44	120.14	60.40
BELGIUM			
Belgian SE	2,853.42	2,841.70	2,114.28
CANADA			
Toronto	2,258.2*	2,288.81	2,159.00
Metals & Minis	2,833.8*	2,842.96	2,575.40
Industrial Portfolio	138.12*	138.28	130.14
GERMANY			
SE	223.22	220.73	174.33
FRANCE			
CAC Gen	n/a	284.8	195.7
Ind. Tendence	106.2	106.7	69.0
WEST GERMANY			
FAZ-Aldien	653.77	650.30	397.09
Commerzbank	1,998.9	1,950.4	1,158.6
HONG KONG			
Hang Seng	1,702.38	1,696.78	1,398.26
ITALY			
Banca Com. Ind.	481.26	477.36	264.89
NETHERLANDS			
ANP-CBS Gen	254.9	250.4	197.0
ANP-CBS Ind	245.4	240.7	158.6
NORWAY			
Oslø SE	376.92	374.72	328.28
SINGAPORE			
Straits Times	614.15	607.32	831.25
SOUTH AFRICA			
JSE Golds	-	1,286.1	925.3
JSE Industrials	-	1,089.1	864.1
SPAIN			
Madrid SE	110.72	109.83	85.94
SWEDEN			
J & P	1,732.61	1,757.86	1,461.56
SWITZERLAND			
Swiss Bank Ind	576.6	566.5	413.1
WORLD			
MS Capital Int'l	259.7	258.2	197.1
CURRENCIES			
	US DOLLAR	STERLING	
(London)	Feb 3	Previous	Feb 3
\$	-	-	1.3865
DM	2.4	2.389	3.3275
Yen	191.50	192.75	285.5
FFP	7.3525	7.3125	10.195
SFR	2.0350	2.027	3.8225
Outider	n/a	2.998	3.78
Lira	n/a	1,627.5	2,291.5
BFR	n/a	48.85	67.95
CS	n/a	1,4925	1,9949
COMMODITIES			
(London)	Feb 3	Prev	Year ago
Silver (spot fixing)	434.50p	431.90p	-
Copper (cash)	£1,002.50	£1,008.50	-
Coffee (May)	£2,272.50	£2,287.50	-
Oil (spot Arabian Light)	n/a	n/a	-

WALL STREET

Strength in bonds tests new peaks

FURTHER falls in oil prices and in bond market yields sustained Wall Street yesterday, writes Terry Byland in New York.

After an uncertain start, stock prices turned higher at mid-session as General Motors announced increased profits for the final quarter of last year. Stocks were led higher by the rise in the bond market as it moved confidently toward the week's heavy funding programme from the Treasury.

By 3pm the Dow Jones Industrial average added 13.30 to reach 1,584.29. Other market indices climbed towards their previous peaks, with the exception of the American Stock Exchange Index, which was restrained by weakness in the domestic oil stocks.

General Motors firmed higher in response to the 1985 trading statement but was soon off the top, with a net rise of 5% at \$74. GM eased 5% to \$40 in minimal trading.

The other Detroit stocks hung back as analysts warned that the recent surge in car shares should be viewed as a temporary phase. At 54% Chrysler shed 5%, and Ford, after rising strongly over the past fortnight, backed off 5% to \$62.

Airline stocks rose strongly again in response to the month-long slide in oil prices, which represent the industry's major cost.

Among the domestic carriers, American gained \$1 to \$47, United \$1 to \$54 and Delta \$1 to \$44. Pan Am, however, remained steady at 58% as bid speculation cooled off.

Banking stocks brushed off the renewed slide in oil prices and extended last week's rally. Once again the best favoured was Citicorp, \$1% up at \$49% with the market's confidence supported by reviews of the bank in the investment press.

The major oil stocks suffered further losses although selling was not heavy. Exxon shed 5% to \$51, Chevron 5% to \$35 and Mobil 5% to \$29.

Weaker features included Atlantic Richfield, down 3% at \$31, and Standard Oil, down 3% at \$47. Among oil industry service stocks Schlumberger tumbled 3% to \$32.

But there were still signs of bullishness in the energy sector. Mesa Petroleum, the investment vehicle of Mr T. Boone Pickens, showed no change at \$2% on news that an investment group has taken a 5% per cent stake.

Pioneer, a Texas energy exploitation group, bounced up 5% to \$20% as Mr Irwin Jacobs offered \$23 a share for the outstanding equity.

Technology stocks again summed up the tone of the session, remaining firm in steady trading, but lacking fireworks. At 15% IBM gained 1% while Honeywell added 5% to \$78% and Burroughs 5% to \$87%.

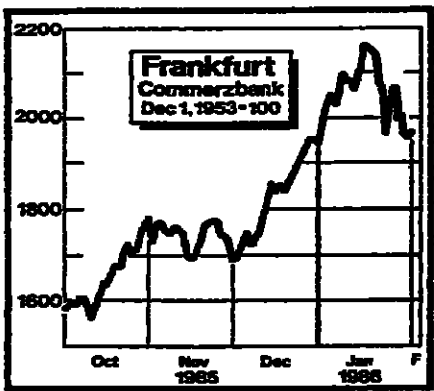
Among the personal computer makers Commodore rallied 5% to \$7% after saying it had obtained a waiver on certain financial requirements.

Lockheed edged up 5% to \$46% after its results. Companies involved in the space shuttle project rallied from the falls which followed last week's disaster at Cape Canaveral. Morton Thiokol at \$31% regained 5%, and Rockwell at \$35% was 5% better. United Technologies, at 46%, made no response to news that it planned to buy in about 10m shares.

Last week's gains in chemical stocks brought some profit-taking, but pharmaceuticals again benefited from a lower dollar. Merck gained 2% to \$140% and Bristol-Myers was 3% up at \$62%.

Heavy trading in Beatrice Group took the shares up 3% to \$45% as a modified agreement on the \$6.2bn buyout plan from Kohlberg Kravis opened the way for its consummation.

Optimism in the credit market was held back by federal funds rate above 8 per cent early in the session. Short-term rates showed little change, but the bond market was in good fettle as it waited for the \$23bn Treasury funding programme to open with tomorrow's sales of \$9bn three-year notes. Long-dated issues were 1/2 point up at mid-session.



EUROPE

Modicum of enthusiasm seeps back

SOME DEGREE of enthusiasm returned to Europe yesterday, encouraged by the firmer tone which developed late last week and Friday's record high on Wall Street.

Zurich prospered from this sentiment, and prices were pushed higher by investors anticipating lower interest rates. Falling oil prices were also cited as contributing to the overall upward move, but one Swiss broker noted that this may have the long-term effect of depressing the market as countries find it difficult to repay their loans.

Banks and insurance issues, which plummeted last Thursday as profits were hurriedly taken, regained their strength as forward trading in both sectors was introduced.

Bank Leu, which last week announced that its 1985 dividend would remain unchanged, gained Sfr 155 to Sfr 4,480, and Swiss Bank put on Sfr 5 to Sfr 553 while Credit Suisse, at Sfr 3,600, was Sfr 50 ahead.

In insurance issues, Winterthur added Sfr 100 to Sfr 5,000, Swiss Re Sfr 300 to Sfr 14,800 and Zurich Insurance Sfr 65 to Sfr 5,840.

Jacobs Suchard, the coffee roaster and confectioner, announced that it expected higher profits for 1985 despite only a marginal increase in sales. The issue rose Sfr 190 to Sfr 7,450.

Amsterdam also recovered some strength after last week's bout of profit-taking. Banks recorded substantial gains, and the ANP-CBS General index rose 4.5 to 254.9.

Akzo was boosted by reports on Friday about its plans to link with a Dutch construction group to produce reinforced concrete using Akzo's aramid fibres. This followed Akzo's announcement of higher profits for 1985. The blue chip added Fl 4.60 to Fl 165.10.

Among other market leaders Royal Dutch rose 60 cents to Fl 167.80 despite predictions that Opec's committee meeting in Vienna would not halt the world oil price decline.

Brussels edged higher in anticipation of the start today of the 15-day domestic share trading term. Fabrique Nationale, the armaments-to-sports-goods group, saw a gain of Bfr 25 to Bfr 3,005. The company expects to break even for 1985 but again will not pay a dividend. In steels Cockerill put on Bfr 8 to Bfr 175 despite rumours of poor yearly results, and Arbed, Luxembourg's steelmaker, rose Bfr 100 to Bfr 2,730.

Milan was higher as industrial and insurance issues were bought in highly selective trading. Both Sna and Pirelli recorded strong gains, the former adding L187 to L5,730 and the latter rising L137 to L4,135. Olivetti, which has linked with a US group to develop a chain of personal computer shops in Western Europe, was unchanged at L10,150.

Among insurance issues Generali moved ahead sharply, gaining L560 to L81,010, while Toro made less of an impression, adding L1,000 to L30,000. One of the session's biggest gains was made by sugar producer Eridania, which advanced to L14,850, a rise of L1,340.

Frankfurt fell after a higher opening as foreign interest waned. Bourse statistics revealed that turnover in shares and bonds for January to-

talled a record DM 36.3bn, which was more than double December 1985's DM 18bn and almost three times higher than in January 1985, when it stood at DM 12.8bn.

In yesterday's trade, retailers attracted the strongest demand while car shares ended mixed and banks were weaker. Deutsche Bank dropped DM 8.50 to DM 775, Dresdner lost DM 1.30 to DM 401.50 and Commerzbank shed DM 4.80 to DM 304.50 ex-rights.

Department store Herten added DM 5.50 to DM 207, Kaufhof DM 18.90 to DM 395.00 and Karstadt DM 6.00 to DM 335.00.

Bonds edged 5 to 10 basis points higher, and the Bundesbank sold DM 70.3m of paper after selling DM 59.7m on Friday.

Stockholm was dull, and prices faded. Ericsson, which has won \$30m worth of mobile telephone orders in the US, lost SKr 5 to SKr 222.

In Oslo Norsk Data dropped Nkr 1 to Nkr 405 despite healthy results for 1985.

Paris fell to profit-taking while Madrid rose in relatively routine trading.

TOKYO

Fresh rate cut hope fuels rally

RISING EXPECTATIONS of another cut in the official discount rate, prompted by the yen's brief rise beyond the Y190 barrier to the dollar, drove share prices moderately higher in Tokyo yesterday, writes Shigeo Nishiwaki of Jiji Press.

Some large-capital stocks were bought at one stage, but buying interest centred on low and medium-priced "incentive-backed" issues.

The Nikkei average gained 42.86 from last week's close to 13,088.47. Trading was active at 425m shares compared with last Friday's 415m. Advances out-ran declines by 511 to 302, with 130 issues unchanged.

Large-capital stocks, such as Nippon Steel and Tokyo Electric Power dominated early trading. But the interest was sparked by purchases by securities houses' dealer sections and not institutional investors.

Japan Synthetic Rubber topped the active list with 19.86m shares traded, and soared Y58 to Y487, supported by its plan to import a diagnostic drug for Aids from a French laboratory. The issue rose to Y619 at one stage. However, the company said the planned import could not contribute largely to its earnings position.

Toshin Steel, which had shown violent fluctuations on speculative buying, closed Y14 higher at Y448, becoming the second busiest issue with 10.26m shares.

Shin-Etsu Chemical attracted buying interest on the strength of the recovery in demand for semiconductors, gaining Y40 to Y1,070. Janome Sewing Machine, the third most active issue with 9.82m shares, added Y8 to Y363, helped by its advance into educational business in a link with IBM Japan.

Nippon Steel, also active with 8.01m shares changing hands, rose Y3 to Y161. Tokyo Electric Power surged Y60 to Y2,900 and Tokyo Gas Y14 to Y300.

The yen's continued firmness against the dollar evoked interest in issues that stand to benefit from domestic demand expansion, with Nishi-Nippon Railroad jumping Y37 to Y320 and Odakyu Electric Railway Y46 to Y514.

In the afternoon session, however, blue chips came under heavy small-lot selling pressure caused by fears that the stronger yen might cut their export profits.

TDK shed Y100 to Y4,280, Sony Y80 to Y3,830 and Matsushita Electric Industrial Y20 to Y1,310.

Bond prices got off to a strong start, with banks' dealer sections entering the market actively on prospects that the rapid rise in the yen's exchange value might prompt the Bank of Japan to lower the discount rate again.

The yield on the 6.2 per cent government bond, maturing in July 1995, fell to 5.33 per cent at one point, but finished at 5.98 per cent, unchanged from last weekend.

LONDON

Sterling and oil return to unsettle

STERLING and oil returned to unsettle London financial markets yesterday.

An initially cautious tone, a natural aftermath of Friday's record, was rapidly transformed into a more serious bout of nerves as a fall in North Sea oil prices dragged sterling lower and pushed commercial rates for credit higher.

Blue chips took the brunt of the selling although some internationals were buoyed by the weakness of the exchange-rate index. The FT Ordinary index, which is based on many of these issues, retreated only 5.7 to close at 1,155.31 while the broader-based FT-SE 100 lost 8.9 to 1,425.1.

Currency considerations hit gilts from the start. Institutions were loath to commit funds ahead of today's banking statistics, but the market was still able to absorb light offerings from small private investors.

For much of the session longs were 1/2 lower, but losses were extended to 3/4 in after-hours dealings. Shorts shed up to 1/2, and index-linked issues dropped up to 1/4.

Chief price changes, Page 37; Details, Page 38; Share information services, Pages 34-35

HONG KONG

A WEAK START was swiftly overcome in Hong Kong although overseas buyers were notably absent. The Hang Seng index firmed 6.80 to 1,702.38.

Utility and property issues were again the focus of local support with Cheung Kong up 20 cents to HK\$19.80 and Hongkong & Kowloon Wharf 10 cents higher at HK\$7.05. Hongkong Land traded 10 cents up to HK\$8.40 and Hongkong Telephone 20 cents to HK\$10.80.

Hutchinson Whampoa moved against the improved technical trading and lost 20 cents to HK\$25.80, and Jardine Matheson dipped 10 cents to HK\$12.10.

AUSTRALIA

INDUSTRIALS counter-balanced most of the weakness among Sydney resource issues and left the All Ordinaries index 2.5 down at 1,072.9.

Institutional buying was evident among industrial blue chips, with BHP trading ex a one-for-five bonus issue - losing 14 cents from its adjusted price to A\$7.28. Bell Resources, also ex-bonus, retreated 9 cents to A\$5.24.

FAI Insurances picked up 16 cents to A\$6.90 after stronger-than-expected first-half profits. News Corp continued to gain ground on the hopes of a management victory in the London printing dispute. It firmed 20 cents to A\$11.20.

SINGAPORE

A MODEST RALLY was staged in Singapore, boosting the Straits Times Industrial index 6.83 to 614.15 although the Pan-Electric affair still overhangs the market inhibiting many operators from taking up new positions.

Singapore Airlines was the most active - with 1.9m of the 7.7m shares traded - and rose 20 cents to S\$5.55. Promet, also active, shed 1 cent to 49% cents while Sime Darby firmed 3 cents to S\$1.49.

CANADA

RESOURCES, particularly oil and gold stocks pushed Toronto lower as unease over world prices continued. Gulf Canada slipped 3% to C\$20, and Dome Petroleum 2 cents to C\$2.71. Among weaker golds Lac Minerals surrendered 3% to C\$35.

SOUTH AFRICA

THE STRONGER rand, aided by President Botha's speech on Friday, underpinned Johannesburg although golds dipped in response to a weaker bullion price. Buffels was R1.50 cheaper at R81.50, and Free State Geduld turned R1.50 lower to R72 although Driefontein picked up 35 cents to R4.35.

Delta Flies Nonstop From Frankfurt To Atlanta. And On To 100 U.S.A. Cities.

Delta Also Flies From Frankfurt To Dallas/Ft. Worth.

From New York to Texas, from Florida to California, Delta flies to just about anywhere in the U.S.A. Catch Delta from Frankfurt to Atlanta, or to Dallas/Ft. Worth. In either city you make easy Delta-to-Delta connections to major cities across the U.S.A.

Delta also has daily service from the New York and Boston gateways to cities across the U.S.A. You can also fly Delta nonstop from London to Atlanta, and from Paris to Atlanta. Call your Travel Agent. Or call Delta in Frankfurt on 069 25 60 30.

in Munich 12 99 061, in Stuttgart 22 62 191, in Paris 4-335-4080, in London (01) 668-0935. The Delta Ticket Offices are at Friedensstrasse 7, 6000 Frankfurt/Main, 140 Regent Street, London W1R 6AT and 24 Boulevard des Capucines, Paris.

Delta Gets You There

Starting April 28, 1986, Delta flies from Munich and Stuttgart to Atlanta, and from Shannon starting May 8.



Schedules are subject to change without notice.